

# CURRENT HISTORY

A Journal of Contemporary World Affairs



## LATIN AMERICA

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# CURRENT HISTORY

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## COMING NEXT MONTH: NORTH AMERICA

With NAFTA signed and ratified, the fates of Canada, the United States, and Mexico have become further entwined. The three countries of North America are seldom considered together, but in an increasingly integrating world, looking at the continent as a whole may prove more and more useful. With the European Union expanding, is the idea of a United States of North America so farfetched? *Articles scheduled to appear include:*

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The December Summit of the Americas “turned out to be a significant event. . . Whether it has lasting import depends on whether the participating governments actually put into practice the agreements reached in Miami. According to Ambassador Sol Linowitz, who organized the 1967 summit in Punta del Este, Uruguay, the final communiqué of that earlier meeting ‘included a 23-page action program, which did not produce a great deal of action.’ Expectations are higher today.”

## United States–Latin American Relations: To the Summit and Beyond

BY PETER HAKIM AND MICHAEL SHIFTER

Just after the hard-fought, eleventh hour Congressional victory of the North American Free Trade Agreement (NAFTA) late in 1993, a senior Clinton administration official remarked that 1994 was going to be the “year of Latin America” in United States policy. There were reasons to believe his prediction would prove true.

Throughout Latin America, United States approval of NAFTA was welcomed as an important step toward building a hemispheric free trade system—which is what nearly every Latin American and Caribbean country most wanted from United States policy. When Vice President Al Gore, on an early December trip to Mexico to celebrate NAFTA’s passage, announced that the United States planned to host a summit meeting of Western Hemisphere leaders in 1994—the first in more than a quarter of a century—it was widely assumed in Latin America that the administration was setting the stage to extend free trade arrangements throughout the Americas. Thus expectations in the region were high that concrete actions would follow.

As it turned out, 1994 was a good year for United States–Latin American relations. Advances were achieved on a number of key issues, and the summit—

held in Miami in December—was a success. President Bill Clinton and his counterparts from Canada, the Caribbean, and Latin America agreed to a timetable and laid out the initial steps for a hemispheric free trade system that would include every country in the Americas. They also pledged greater cooperation in a variety of other areas: promoting democracy and human rights, protecting the environment, and improving social conditions.

Despite the successful finale, the path to the summit was hardly smooth. For much of last year, problems seemed to overwhelm the opportunities in Latin America, and United States policy seemed inadequate. Within the region expectations for the Miami meeting steadily diminished as United States attention was diverted from the hemispheric trade agenda by other international economic priorities and by troubling developments in several Latin American countries.

### NOT SPEAKING OF TRADE

The lack of concrete United States hemispheric trade initiatives was particularly disconcerting to Latin American governments. Most had made clear that they wanted to proceed forthrightly toward free trade ties with the United States, and felt that it was up to Washington to make its intentions clear. They understood that the United States, the hemisphere’s largest economic power, would have to drive economic integration efforts, and looked to Washington to make the next move by clarifying its ideas and putting forth proposals for free trade.

United States trade policy officials, however, kept

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trade off the agenda of United States–Latin American relations for much of 1994, forcing the postponement of any serious consultations about trade in preparation for the summit. In March, when Clinton formally announced the date and place of the summit, he did not include regional trade among the meeting's central themes. In July the United States released a preliminary roster of 14 topics for discussion at the summit; trade was the only issue on which a United States position was not expressed.

The administration's resistance to discussing future hemispheric trade relations with Latin America reflected, in part, the priority assigned to gaining Congressional approval of the General Agreement on Tariffs and Trade. In addition, the United States Trade Representative's Office wanted Congress, as part of the GATT legislation, to renew "fast track" authority to clear the way to negotiate new trade agreements.\*

Almost no one (including the Latin Americans) took issue with these priorities, but it was never made clear why the United States could not also begin consultations on regional trade issues. In fact, the fast track request might well have been strengthened by tying it to concrete plans for hemispheric free trade—particularly given the continuing growth in United States exports to Mexico and the rest of Latin America.

In September and October, Latin America's expectations for progress toward free trade with the United States were further set back by three successive Congressional actions. First, the administration was forced to remove the fast track request from the GATT legislation, leaving the United States unable to commit itself effectively to trade talks with Latin American countries. Second, Congress rejected the administration's proposal to establish transitional trade arrangements—called the Interim Trade Program (ITP)—with the smaller countries of Central America and the Caribbean. ITP was designed to help protect these countries' existing export benefits while they sought to qualify for NAFTA accession. Finally, the GATT vote itself was postponed until late November, leaving the impression that protectionism, rather than open trade, might once again be gaining ground in the United States.

Ironically, the reversals on fast track and the ITP occurred about the same time that the administration announced that trade would, indeed, be the centerpiece of the summit. United States trade officials also began consulting, albeit tentatively, with Latin American governments on how to address trade questions. With less than three months to go, the administration began to give the summit priority attention. It had become increasingly apparent that continued United

States silence on trade matters could condemn the meeting to irrelevance.

### AND ASIDE FROM THE SUMMIT?

On January 1, 1994—the day on which NAFTA formally went into effect—Mexico was roiled in a bloody guerrilla uprising. The rebels in Chiapas state, and the poor peasants they claimed to be fighting for, punctured the myth of a Mexico moving rapidly toward prosperity through open markets and free trade. The rebellion was a dramatic reminder of the deep poverty and social injustice that characterize so much of Mexico—and so much of Latin America. Despite its turn toward democracy, its impressive commitment to economic reform, and its growing cooperation with its northern neighbor, Latin America could still produce headaches for the United States.

For nearly the first six months of 1994, most of the important developments in Latin America and the Caribbean were troublesome for Washington.

The Chiapas revolt remained unresolved and Mexico continued to confront unprecedented political turmoil. The March assassination of Luis Donaldo Colosio, who was virtually certain to be chosen Mexico's next president in the elections scheduled for August, provoked further anxiety about the country's ability to conduct a peaceful (let alone democratic) vote and manage an orderly transfer of power.

Brazil, which accounts for 40 percent of Latin America's population and economic activity, appeared increasingly ungovernable, saddled with a weak and distracted president; an irresponsible, free-spending Congress; seemingly endless corruption scandals; and continuing human rights violations. The economy was racing out of control, with inflation soaring to 50 percent a month in June. Brazil, the only country in Latin America that could rival Mexico in its commercial appeal to American exporters and investors, was not, in the first months of 1994, an attractive partner for the United States.

It was not only the large countries in Latin America that were facing difficulties. Venezuela's new government transformed a banking crisis into a generalized economic debacle with a series of self-destructive policy measures and, to boot, suspended some constitutionally guaranteed rights. Presidential elections in the Dominican Republic were tarnished by fraud on a large enough scale to change the election outcome and deny the opposition a rightful victory. Peru's President Alberto Fujimori managed to control hyperinflation and the vicious Shining Path insurgency, but was less successful in reining in the country's armed forces and his own authoritarian impulses. Guatemala remained brutal and repressive, with no end in sight to its 30-year guerrilla war. And the United States continued to allow the drug trade to hobble relations with Colombia.

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\*Fast track authority allows the president to negotiate trade agreements that Congress must then approve or reject without adding amendments within a fixed time period.

But not all the news was bad during the first half of 1994. In April the United States and many other nations in the hemisphere gave a strong vote of confidence to the Inter-American Development Bank, nearly doubling its capital to \$100 billion and allowing for an increase in its lending program to some \$7.5 billion a year. With the support of Washington and most of the hemisphere's larger countries, outgoing Colombian President César Gaviria was elected secretary general of the Organization of American States, raising expectations that the OAS would acquire a more active and important role. Free elections in El Salvador and Panama brought a measure of closure to United States interventions in both countries.

It was two neighboring Caribbean countries that caused the most trouble for the Clinton administration. United States policy toward Haiti seemed to be on hold in early 1994. Although still formally committed to restoring elected President Jean-Bertrand Aristide to power, the administration was internally divided and unable to decide on a course of action. Every issue—whether to tighten or ease the economic embargo, whether to consider the use of military force or not, whether to proceed unilaterally or multilaterally—appeared up for grabs.

It was a combination of political pressure, mainly from the Congressional Black Caucus and other African-American activists, and the brutality of Haiti's military regime, that finally forced the White House into action in April. The administration patched up most of its differences with President Aristide and his advisers, put into place tightened economic sanctions, and began discussing the possible use of military force, for which it subsequently gained the approval of the UN Security Council. Haiti's military leaders, however, refused to budge, and the United States remained in a quandary about how to proceed.

In late July Haiti was pushed to the background when President Fidel Castro allowed Cubans to leave the island and migrate to the United States. The impact, reminiscent of the 1979 Mariel boat crisis, was immediate: thousands of Cubans set sail for Miami in almost anything that would float. Responding mainly to pressures from Florida Governor Lawton Chiles, who faced a tough re-election campaign, to do something to stop the flow, the administration reversed 30 years of policy on Cuban migrants.

Under the new orders, Cubans were no longer automatically considered political refugees with the right to settle in the United States. Instead, those fleeing the island would now be treated like Haitians: those intercepted at sea would be sent to safe havens (at the Guantánamo naval base in Cuba and in Panama) with no prospect of entry to the United States. To soften the adverse political fallout in Miami's vocal Cuban-American community, where the policy change provoked considerable anger, the administration also

tightened the embargo against Cuba. New restrictions were imposed on travel and remittances to Cuba. The outflow of migrants did not immediately cease, however.

## A BRIGHTER SECOND HALF

If most things seemed to go wrong between the United States and Latin America in the first months of 1994, developments in the region became far more encouraging in the second half of the year.

The August elections in Mexico, monitored by thousands of national and international observers, went off without a major hitch. Although irregularities were reported in the presidential balloting and fraud may have determined the outcome of a few local contests, the elections were widely regarded as the freest in Mexico's modern history. President-elect Ernesto Zedillo had established his mandate to govern.

Throughout the year, the United States kept an appropriately low profile in Mexico and was constructive. When Mexico's political troubles threatened investor confidence, the United States (and Canada) created a special \$7-billion credit line for the country. Washington also consistently encouraged—in a nonintrusive manner—the Mexican government to keep the elections free and fair.

To be sure, as revealed by subsequent events, Mexico was still not out of the woods. Less than a month after the elections, a second prominent political leader was assassinated; the Chiapas revolt continued to simmer dangerously; and, at the end of the year, Mexico fell into deep financial crisis.

In Brazil, a stabilization program, the "Real Plan," worked as well as anyone had anticipated—perhaps even better. Inflation was brought under control for the first time in many years, with the monthly rate plummeting from 50 percent to less than 3 percent. In October Fernando Henrique Cardoso, the finance minister who had formulated the plan, was elected to the presidency. He comes to office with the strongest mandate and broadest political support—as well as the most impressive resume—of any Brazilian president in memory. These developments helped United States relations with Brazil—which had been under strain for many years—take an important turn for the better.

There were improvements in some of the smaller Latin American countries as well. In late August the United States helped engineer a compromise in the Dominican Republic that averted a confrontation between the government and opposition over the fraud-ridden elections. The two sides agreed that President Joaquín Balaguer would serve two additional years (rather than a regular four-year term), after which new elections would be held.

In early September, negotiations between the United States and Cuba on Cuban migrants led to a settlement both sides welcomed: the Cuban government agreed to

halt the departures by sea while Washington pledged to expand sharply the number of legal migrants it would annually accept. The flow of boat people stopped almost immediately. Unfortunately, none of the underlying problems between Cuba and the United States were addressed, and the prospects for dealing with them now seem more remote than ever.

Haiti was another success for the United States. In September, just as the United States was about to launch a UN-sanctioned invasion of the country, former President Jimmy Carter—with the administration's approval—negotiated the "voluntary" departure of Haiti's military rulers and an agreement to allow the deployment of United States troops in Haiti. Some 20,000 soldiers were dispatched on September 19, and President Aristide was restored to office on October 15. Developments in Haiti since then have been encouraging. Violence has been limited, American troops have performed effectively and professionally (and most of the initial contingent has already returned home), and Aristide has pursued a moderate political course emphasizing reconciliation.

Of course, there was some bad news as well for the United States in the region. Venezuela stuck stubbornly to its damaging economic policies and continued to infringe on the rights of its citizens; peace remained elusive in Guatemala, despite United States and United Nations mediation efforts; and the Cuban refugees in Guantánamo and Panama presented Washington with a Hobson's choice—either to stick with declared policy or to give into the increasingly angry demands from Miami to bring the refugees to the United States.

### THE SUMMIT ON THE HORIZON

The Republican Party's electoral sweep of both houses of Congress in the November 8 midterm elections created a source of uncertainty for the Latin American and Caribbean governments preparing for the Americas Summit. Taken with the approval in California of the viciously anti-immigrant Proposition 187 (which would deny state social services to illegal immigrants and their children), the Republican triumph once again raised concerns in the region that the United States might become more isolationist and more unilateral in its dealings with other countries. It was also unclear whether a politically weakened Clinton would be able to make binding commitments at the summit.

Some argued that Latin America might do better on the trade front with the new Republican majority in Congress. Republicans, after all, had produced more votes for NAFTA than Democrats had, and could therefore be expected to be supportive of other regional free trade initiatives. But when the dust settled, the elections seemed not to have had much immediate impact on United States foreign policy, and had virtually none on the summit preparations or outcome.

With time growing short before the 34 presidents and prime ministers were scheduled to meet in Miami, the administration found it extremely difficult to gain agreement on what should be discussed and decided at the summit. And disagreements persisted between the United States and Latin America on several key issues: whether specific procedures and a timetable should be proposed for free trade negotiations; whether labor and environmental matters should be included in trade talks; and what role the OAS should have in defending democracy and human rights.

An intensive series of consultations in the final two weeks before the summit yielded significant concessions and compromises, demonstrating the goodwill that virtually every government would bring to Miami (although critics argued that the concessions and compromises ended up diluting already weak statements on the protection of human rights, democratic practice, and labor standards). Brazil and the United States—which had been the most at odds—managed to find common ground on the important issues, and both the Brazilian president and president-elect participated in the summit, as Washington had hoped. One of the most significant outcomes of the summit, and the consultations preceding it, may have been improved communication between Washington and Brasília, and perhaps a greater appreciation by the former of Brazil's central role in Latin America.

The preparations paid off. The summit, held between December 9 and 11, was a success. The final declaration of the hemisphere's leaders reaffirmed the impressive convergence of interests and values that exists between the United States and the nations of Latin America. The summit also produced a constructive plan of action that could importantly influence the agenda of Western Hemisphere affairs for the next several years.

The most significant agreements reached at the summit concerned hemispheric free trade; for most countries, this is what made the meeting worthwhile. The 34 participating governments agreed to forge a free trade area incorporating every country of the Americas by 2005. One very concrete, albeit small, step was taken at the summit toward achieving that goal: the three NAFTA partners—Canada, Mexico, and the United States—announced plans to negotiate Chile's accession to the pact.

The summit also produced agreements on a range of other issues, such as defending democracy and human rights, alleviating poverty, combating corruption and illegal drugs, improving education and health services, and protecting natural environments. Many of these goals were too ambitious and are unlikely to be achieved, but together they express a striking consensus on a range of fundamental principles. Moreover, the expanded responsibilities assigned to the OAS and Inter-American Development Bank should encourage greater regional cooperation.



## BEYOND THE SUMMIT

The summit turned out to be a significant event—one that has the potential to contribute constructively to United States–Latin American relations. Whether it has lasting import depends on whether the participating governments actually put into practice the agreements reached in Miami. According to Ambassador Sol Linowitz, who organized the 1967 summit in Punta del Este, Uruguay, the final communiqué of that earlier meeting “included a 23-page action program, which did not produce a great deal of action.” Expectations are higher today.

United States leadership will be crucial in the coming months. Washington must move quickly to prepare the way for free trade talks. The crucial discussions will be those between the United States and its NAFTA partners and the four countries of Mercosur, the Southern Common Market (Brazil, Argentina, Paraguay, and Uruguay). NAFTA and Mercosur together account for the bulk of the hemisphere’s economic activity; an agreement between them on how to proceed is the key to building a free trade area for all the countries of the Americas.

To make hemispheric negotiations meaningful, most observers believe President Clinton will need to secure fast track authority from the new Republican-dominated Congress. This will probably require the administration to accept Republican demands that labor and environmental matters be excluded from trade negotiations, demands that will be intensely opposed by unions and other key Democratic constituencies. It is unclear whether a compromise can be shaped, or whether the president will have to make a very hard choice.

The summit agreements, especially on trade, should set the course for United States policy toward Latin America this year. They express the collective interests of the hemisphere’s governments and offer new opportunities for regional cooperation. Washington’s most difficult policy challenges, however, could come from its three closest neighbors: Mexico, Haiti, and Cuba.

Mexico will offer the biggest challenge because of its importance to the United States, reflected in the increasing demographic and economic integration of the two countries, and because of the depth of its problems. Common wisdom had it that years of economic restructuring, coupled with Mexico’s entry into NAFTA, had left the economy in exceptionally sound shape, moving steadily from third to first world status, and that government attention could now focus on political reform.

As was made clear by the December slide of the peso and its messy consequences, however, Mexico’s economy—despite the changes it has made—is still weak and vulnerable. For at least the next several months and perhaps longer, Mexico will require emergency credit assistance from the United States to avoid

further economic deterioration, which could also harm the United States. The Mexican government also must be prodded to fulfill its pledge to make the country’s politics more democratic. All this has to be done in a manner that respects Mexico as a nation.

The risk of backsliding remains substantial in Haiti. No one can be sure that the progress of the past few months will continue, that incidents of violence will remain scattered and unthreatening to government authority, that Haiti’s institutions will begin to work again, or that the economy will begin to recover. Indeed, the country may fall short in all of these areas. Having redeemed its pledge to restore Aristide to power, the United States now has an obligation to give his government a fighting chance. At the same time, domestic pressures—which will likely increase with the new Republican Congress—will push for the quick withdrawal of United States troops and the contraction of economic support.

Another immediate challenge facing the administration is what to do about the 30,000 Cubans confined in Guantánamo and Panama. As is the case with United States relations with Cuba generally, there is no solution to this problem that satisfies humanitarian and foreign policy considerations and is also responsive to the main political constituencies involved: the Cuban-American community and other Florida voters.

United States policy toward Cuba is still stuck on the dangerous and unproductive course of trying to squeeze the country economically and isolating it politically. Cuba’s economy continues to deteriorate, the suffering of ordinary people is increasing, the risk of violent conflict and mass immigration grows, and Castro shows no sign of imminent departure. The responsible course for the Clinton administration would be to undertake a serious, full-scale review of its Cuba policy—as called for by virtually every Latin American and Caribbean country.

But this is not likely to happen. A White House that for the past two years has shown no interest in reshaping Cuba policy is not going to start now, when the Republicans dominate Congress and Florida remains the only large state with a Democratic governor. The administration, in short, is not prepared to treat Cuba as a foreign policy issue. Only a full-fledged crisis is likely to change that stance.

In the coming years, however, the administration’s policy toward Latin America and the Caribbean will be judged by whether it sticks to the commitments it made at the summit—especially whether it effectively pursues negotiations toward hemispheric free trade and sets the stage for eliminating trade and investment barriers in the Americas. Success will depend on how well the United States manages its relations with Brazil and Mexico, and how productively the administration works with the Republican-controlled Congress. ■

"Beneath similarity of method at the beginning and the end of the twentieth century lies a mixture of changing assumptions, goals, methods, and perceptions concerning the national interests of the United States. A close look at the 1994 intervention in the context of a century of Caribbean interventions provides a measure of what is old and what is new in American policy for the region in a post-cold war world."

## Haiti: From Intervention to Intervasion

BY GADDIS SMITH

**A**t first glance very little had changed in 79 years. In July 1915 American marines landed in Port-au-Prince, Haiti, and placed the country under martial law. Military occupation and American control continued until 1934. In September 1994 American forces landed again, forced Haitian dictator Lieutenant General Raoul Cédras into exile, and provided protective cover for the reinstatement of Jean-Bertrand Aristide as president on October 15.

In both 1915 and 1994, the United States government decided that the deployment of superior military power in Haiti was the only way to achieve its objectives. And in both instances the occupations of Haiti were part of a cluster of contemporaneous American interventions in other small Caribbean and Central American countries. But beneath similarity of method at the beginning and the end of the twentieth century lies a mixture of changing assumptions, goals, methods, and perceptions concerning the national interests of the United States. A close look at the 1994 intervention in the context of a century of Caribbean interventions provides a measure of what is old and what is new in American policy for the region in a post-cold war world.

### AMERICA'S LAKE

The 1915 intervention belonged to an epoch of intense and blustering American assertion of an exclusive military, political, and economic sphere of influence in the Caribbean and Central America. The United States expanded its power through muscular diplomacy, the acquisition of territory and military bases, and several prolonged military occupations of entire countries. The primary motive for this burst of activity was the strategic security of the sea lanes through the Caribbean—deemed an American

"lake"—to the isthmus of Panama and the new canal (begun in 1903 and opened for shipping in 1914). American presidents and their high advisers were determined to impose stability in a region vital to the United States and, above all, to preempt the possibility that a European power might project threatening political and military power into the hemisphere.

The rhetorical justification for interventionism was that sacred text of nationalism, the Monroe Doctrine, along with its so-called corollaries. The Monroe Doctrine, issued in 1823 when there was a possibility that European powers might attempt to roll back the recently attained independence of Latin America, emphasized the incompatibility of the American system of government (good) with the system of the monarchies of Europe (bad). President James Monroe said that the extension of the European system to the American continents was a threat to national security. But enforcement of the Monroe Doctrine through the nineteenth century was sporadic and ad hoc. Only in the 1890s did it become a sustained rationale for continuous intervention. The high points can be briefly recalled.

In 1895 the United States demanded a decisive role in settling a boundary dispute between Venezuela and the British colony of Guiana. Citing the Monroe Doctrine, Secretary of State Richard Olney declared: "The United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition." The British government rejected the "Olney Corollary" in principle, but accepted it in practice in order to reduce the risk of American opposition to British interests in other regions of the world.

In 1898 the United States went to war to expel Spain from Cuba, but then denied the Cuban people the genuine independence for which they had been fighting. Instead the United States, under the Platt Amendment (which was incorporated, on American orders, into the Cuban constitution and in force until 1933), exercised the right to intervene with military force in

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Cuban affairs; tied the Cuban economy to the United States; and denied Cuba the right to conduct an independent foreign policy. The United States also established the naval base that it still maintains at Guantánamo Bay and annexed Puerto Rico.

In 1903 the United States abetted the independence of Panama from Colombia in order to dictate the terms of an agreement for building and operating a canal to be managed and protected exclusively by the United States. In the following decades the Panama Canal was considered by the American foreign policy establishment the country's most important external strategic and commercial asset. Americans became acutely sensitive to any possibility, no matter how remote and conjectural, that hostile powers might interfere with the security of the canal and its approaches. The slightest hint of trouble was enough to set alarm bells ringing in Washington. The lines of communication through Panama were to the United States what the passage to India through the Suez Canal was to the British Empire.

In 1904 President Theodore Roosevelt, concerned that instability and the nonpayment of foreign debts in the Dominican Republic might lead to European intervention, proclaimed his famous corollary to the Monroe Doctrine. The civilized powers of the world, he said, had an obligation to exercise an "international police power" when lesser nations engaged in "chronic wrongdoing" or displayed "an impotence which results in a general loosening of the ties of civilized society." For Roosevelt and his contemporaries, the Monroe Doctrine ordained that the policeman of the Western Hemisphere must be the United States and only the United States. Under the Roosevelt Corollary the United States took control of the financial affairs of the Dominican Republic and several small countries in Central America and, on occasion, imposed military occupations.

## MAKING HAITI SAFE FOR DEMOCRACY

The 1915 military occupation of Haiti was largely, but not entirely, an expression of the Roosevelt Corollary. The rapidly changing governments of Haiti were certainly perpetrators of "chronic wrongdoing" and guilty of "impotence" as defined in Washington. There were rumors of a pending sale of a naval base by self-serving Haitian politicians to a foreign power, possibly Germany. The site was Môle St. Nicholas, a harbor controlling the strategic passage between Cuba and Haiti. But the March 1913 inauguration of President Woodrow Wilson had introduced another element. The new president believed that United States policy toward Latin America should be based on support for democracy and "constitutional liberty" as well as on traditional security objectives. He said the United States was ready to deal on the basis of equality and friendship with all governments that ruled with the

consent of the governed. Wilson was ready to use nonrecognition and other sanctions against regimes failing to meet his standards. For example, in 1914 he refused to recognize the government of President Victoriano Huerta of Mexico, an adventurer implicated in the murder of former President Francisco Madero, a leader Wilson admired for his faith in constitutionalism. When Huerta nevertheless remained in power, Wilson landed a contingent of marines in Mexico. Huerta, under pressure, left office.

Wilson meanwhile told Haiti that good relations with the United States depended on establishing democratic, constitutional government. The message had no influence. In 1914 the United States also warned that it would not tolerate a "foreign foothold" in Haiti and underscored the message by briefly landing a few hundred marines. In July 1915 the situation in Haiti became intolerable. Some 167 political prisoners were slaughtered on orders of the president of the moment, Vilbrun Guillaume Sam, himself under attack by a rival faction. Sam took refuge at the French legation, but a mob dragged him into the street, killed him, and paraded his body parts skewered on poles around Port-au-Prince.

American forces landed the next day. The American commander announced that he was "invested with the power and responsibility of government in all its functions." The United States organized a puppet government and required it to sign a treaty authorizing American intervention. Assistant Secretary of the Navy Franklin D. Roosevelt visited Haiti to inspect the occupation. Later he boasted, with some exaggeration, that he had personally written the new Haitian constitution.

In the years following the United States improved sanitation and other public services and skirmished occasionally with rural guerrillas known as "Cocos," but did little to assist in the formation of a democratic process. In 1934 Franklin D. Roosevelt, now president, ended United States occupation as part of his "good neighbor" policy of nonintervention. At the time not even the most hyperactive imagination could conceive of a European threat to the Panama Canal and American security by way of Haiti.

During World War II the United States had no difficulty in winning support from all countries of the Caribbean in combating a real threat to the sea lanes and larger security represented by Nazi German submarines. American ships and planes patrolled the region, but no American military control of regimes was necessary.

World War II was followed almost without pause by the cold war. By the 1950s many high-level makers of American foreign policy feared that "international communism" as an instrument of the Soviet Union could gain a foothold in Latin America by exploiting

weak and unstable governments. In 1950 George Kennan, then counselor of the Department of State, wrote in a secret memorandum that Latin American culture could not support democratic governments strong enough to resist the dangerous and alien inroads of communism. This weakness, he said, represented a serious threat to American security under the Monroe Doctrine.

Kennan recommended that the United States "concede that harsh governmental measures of repression may be the only answer; that these measures may have to proceed from regimes whose origins and methods would not stand the test of American concepts of democratic procedures; and that such regimes and such methods may be preferable alternatives, and indeed the only alternatives, to further communist success."

Kennan's bleak philosophy was not central to all American policy in the following decades; on occasion the United States did act on the Wilsonian premise that genuine democracy was the best protection against communism. But Kennan's outlook was present in the 1954 overthrow by covert action of Guatemala's democratically elected president, Jacobo Arbenz, and the installation of Colonel Carlos Castillo Armas in his place. It was also implicit in the long toleration of such harsh, repressive, and boastfully anticommunist dictators as Fulgencio Batista in Cuba, Marcos Pérez Jiménez in Venezuela, Rafael Trujillo in the Dominican Republic, the two Anastasio Somozas (father and son) in Nicaragua.

A similar father and son dictatorship also ruled in Haiti. François "Papa Doc" Duvalier seized power in 1957 after winning fraudulent elections, and proceeded to rule through violence and intimidation. He tried to ingratiate himself with Washington by offering the United States a military training camp and a submarine base. The offer was declined, but his regime was tolerated in spite of its obvious barbarism. In 1971 Jean-Claude "Baby Doc" Duvalier followed his father as president and ruled in similar fashion until 1986. One United States administration after another held its nose against the stench but tolerated the Duvaliers as the alternative to possible communist penetration.

But the Soviet Union showed no interest in Haiti. As President Ronald Reagan's secretary of state, George Shultz, wrote, "Soviet and Cuban ambitions, so aggressive and confident in seeking to advance the Communist cause elsewhere in the hemisphere, seemed to lose heart in contemplation of the morass of problems in Haiti." Only in 1986, with the cold war beginning to thaw, did the United States bring effective pressure against "Baby Doc" for human rights violations. He fled the country on a plane provided by the United States.

## FIRE IN THE LAKE

Haiti was ignored by American policymakers during the Duvalier years because their anxiety over security in the Caribbean and Central America focused on Castro's Cuba. Castro's armed uprising against Fulgencio Batista—a corrupt figure supported by the United States government until the last minute—succeeded on January 1, 1959, when Batista fled and Castro entered Havana. Castro's turn toward the Soviet Union and Washington's hostility (each accelerating the other) made American intervention inevitable. It came in April 1961 with the spectacular failure of the CIA at the Bay of Pigs to repeat the 1954 success against Arbenz in Guatemala. The operation involved landing anti-Castro Cuban forces with the intended purpose of overthrowing Castro and reestablishing a pliant pro-American regime. Instead, the defenders killed or captured the invaders. Castro emerged stronger than ever and President John Kennedy's administration was deeply embarrassed.

Eighteen months later, the installation of Soviet missiles with nuclear warheads in Cuba produced the nuclear age's most dangerous confrontation. The prudence of Kennedy and Soviet General Secretary Nikita Khrushchev, once they faced the enormity of the crisis, led to the negotiated withdrawal of Soviet missiles and a promise from the United States not to invade Cuba. After 1962, American intervention against Cuba was largely limited to a tight economic squeeze, including a near total ban on United States trade with Cuba and unrelenting pressure on other nations to do likewise.

Cuba's status as a Soviet satellite "90 miles from our shores" revived and intensified traditional concern in Washington over a strategic threat to the United States through the Caribbean. The region was perceived as the fourth front of the cold war (the other three were Europe, Asia, and the Arctic). Thus, for nearly three decades after Castro came to power, the driving theme of American interventions in the Caribbean and Central America was the prevention of "another Cuba" and the containment of Castro's influence whether expressed through his successful defiance of the United States or support for leftist movements.

President Lyndon Johnson sent troops to the Dominican Republic in 1965 to ensure that an armed uprising against an unpopular military regime did not fall under the control of the far left. In the 1980s the Reagan administration supported the Salvadoran government's civil war with left-wing insurgents, condoning brutal military repression. It also invaded the tiny island of Grenada primarily to prevent the establishment of an airbase potentially useful to the Soviet Union and Cuba, and intervened in Nicaragua with overt and covert support of the "contras," guerrilla forces seeking to overthrow the leftist Sandinista government.

## A NEW PERSPECTIVE ON THE CARIBBEAN

The end of the cold war and the Soviet Union has transformed the nature of American fears and interests in the Caribbean. The real or perceived strategic threat to American security through the Caribbean has vanished. Fidel Castro lost military and economic support from Moscow even before the Soviet Union's dissolution; his regime, barely surviving, has no influence in the region. The continuation of the punishing American economic embargo, a form of intervention, reflects domestic politics in the United States rather than foreign policy.

Thus, American policy toward Haiti in the post-cold war era, which led to the 1994 military intervention, was more a response to new motives and assumptions than to old. Washington no longer worried about communist or other hostile forces gaining a foothold in Haiti, offering naval bases to enemies of the United States, or spreading subversion throughout the region. The disappearance of these concerns, however, did revive one old theme—the Wilsonian emphasis on support for democratic regimes and hostility toward unconstitutional, authoritarian usurpers.

The result was American applause and support for the democratic election in December 1990 of Jean-Bertrand Aristide as president of Haiti, and instant condemnation of General Cédras's military coup, which ousted Aristide in October 1991. During the cold war era Cédras would have been embraced as precisely the sort of forceful leader needed to suppress "international communism" and cooperate with the United States: a sensible no-nonsense fellow with good posture, a clear eye, and friends in the United States military. But in 1991 he was unacceptable. The United States refused to recognize his government and immediately announced a commitment to return Aristide to power.

Another significant element in the American response was the use of the UN. Under the Monroe Doctrine the United States had opposed a role for the League of Nations or the UN in the Western Hemisphere. At the 1945 San Francisco conference on the UN charter, the American delegation insisted on the inclusion of Article 52, which modified the UN role in hemispheric affairs and protected the Monroe Doctrine. During the crisis leading up to the 1954 overthrow of Arbenz in Guatemala the United States pressured the British and French into blocking a Guatemalan appeal to the UN Security Council. And during the not-so-covert war against the Sandinista government of Nicaragua, the United States repeatedly vetoed critical UN resolutions and refused to recognize a World Court decision declaring the United States mining of Nicaraguan harbors a violation of international law.

But by 1991 President George Bush's administration had already welcomed a UN role in facilitating open

elections in Nicaragua in 1990 and in negotiating an end to the civil war in El Salvador. No longer at odds with the Soviet Union at the UN, the United States was happy to share responsibility for political settlements. The UN role in Haiti thus was central from the moment the 1991 coup occurred. The United States welcomed and fully supported the assignment of Dante Caputo, a respected Argentine diplomat, as the UN secretary general's representative in Haiti. Caputo labored valiantly but unsuccessfully in a two-year effort to negotiate Aristide's return. The United States sought and gained a series of Security Council resolutions imposing ever tighter economic sanctions on Haiti, in the hope that the pressure would force Cédras to capitulate.

There were several other new elements influencing the 1994 intervention. The most important was the exodus of thousands of Haitians—refugees from poverty and the brutalities of the Cédras regime—who tried to reach Florida in appallingly unseaworthy wooden boats. In 1915 there had been virtually no Haitian immigration to the United States—in part because the United States systematically exploited and denied civil rights to its black citizens. But by the 1990s several hundred thousand people of Haitian origin were living in the United States. At the same time there was rising public uneasiness over immigration in general, and illegal immigration in particular.

The United States government had traditionally given those seeking political asylum an opportunity to present evidence of their well-founded possibility of persecution in the country from which they were fleeing. But after the 1991 coup, United States Coast Guard vessels picked up Haitian refugees before they reached American shores and either returned them to Haiti or held them at the Guantánamo Bay naval base in Cuba, where they were denied the status of political refugees. As the number of seaborne refugees increased, the domestic political pressure on the newly elected administration of President Bill Clinton to solve the problem mounted.

## THE DOMESTIC DEBATE OVER HAITI

Political disagreement within the United States also affected the nature of American involvement in Haiti. African-Americans for understandable reasons were more interested in events in Haiti, more sympathetic to Aristide, and more impatient with the continued rule of Cédras than the United States population as a whole. Members of the Congressional Black Caucus, whose support President Clinton valued, urged applying any pressure, including an invasion, to bring down Cédras. But some American conservatives, including Senator Jesse Helms (R-NC), a high-ranking member of the Senate Foreign Relations Committee, distrusted Aristide as a radical populist and practitioner of liberation theology.



Clinton maintained United States support for and recognition of Aristide and in early 1994 placed William Grey 3d, a prominent African-American political leader, in charge of the administration's policy on Haiti. By spring 1994, with Cédra seemingly impervious to economic sanctions and scenes of the government's brutal treatment of the Haitian people appearing regularly on American television, the United States openly began training an invasion force.

But the more the administration talked about using military force, the more it was criticized by those who opposed using the military for purposes other than meeting a direct and obvious threat to United States security. The critics said that although morally reprehensible, Cédra's continuation in power, the heinous violations of human rights by his forces, and his defiance of UN resolutions, did not justify American military intervention.

By summer President Clinton was in a difficult situation. The United States had secured a UN Security Council resolution in July authorizing the use of force as a last resort to remove Cédra and restore President Aristide, but in August the Senate passed a resolution declaring that the use of force in Haiti required Congressional approval, which raised the old and unresolved issue of the president's power to use military force without Congress's advance agreement. At the time it seemed likely that Congress would have denied its approval if asked by Clinton. The president was prepared—as had been his predecessors in other situations—to proceed without Congressional approval. To have backed down after securing UN authorization and positioning naval forces off Haiti would have been humiliating to Clinton personally and to the credibility of the United States.

At this critical moment former President Jimmy Carter asked the White House for permission to negotiate personally with Cédra. With considerable reluctance the White House agreed and in September Carter, accompanied by Senator Sam Nunn (D-GA) and retired General Colin Powell, the former chairman of the United States Joint Chiefs of Staff, went to see General Cédra. The three men arrived in Port-au-Prince September 17 where, following two days of intense negotiations, Carter described Cédra as a man of honor and praised the grace and beauty of Mrs. Cédra. This flattery, repugnant to supporters of Aristide, may have been necessary for the resulting agreement in which Cédra said he would step down by

October 15. The general also said he would not oppose the deployment of United States forces or the return of President Aristide.

American troops landed on September 19, 1994, without opposition. They were given a tumultuous welcome by a majority of the Haitian population. Cédra kept his word, and in return was provided with some financial rewards by the United States as he and his family flew to exile in Panama. Aristide returned on October 15 and was soon reinstalled as president.

Because the landing did not involve combat and because no American lives were lost from hostile action, President Clinton was spared a confrontation with Congress—one that he would almost certainly have lost. The welcome extended by the Haitian people was a pleasant surprise to the American troops and to the American public. Even critics who had opposed sending American forces admitted that developments were better than expected—at least for the moment. The Clinton administration was obviously pleased with the results and with simultaneous progress on other foreign policy issues. Unfortunately for the administration, these successes did not help Democrats in the November Congressional elections.

A final new element in the American intervention, in marked contrast to 1915, was the question of a so-called "exit strategy." In 1915 the United States had no idea how long the military occupation would last. The answer turned out to be 19 years. In 1994 the Clinton administration was well aware of the historical record and even more of Congressional and public doubt about putting American troops in Haiti, with the possibility that an armed clash would lead to American deaths and the dread symbolism of body bags being loaded on planes returning to the United States. Clinton, therefore, announced from the beginning that American forces would be quickly withdrawn and their place taken by small contingents of peacekeepers from many different countries. The withdrawal began in November and several thousand troops were home by Christmas.

Meanwhile, Republicans won control of both houses of Congress in midterm elections last November. Senator Helms, a critic of intervention, prepared to become chairman of the Senate Foreign Relations Committee. The Clinton administration's freedom of action toward Haiti and intervention in general was thereby restricted. ■

Jean-Bertrand Aristide has been returned to office, but the political system that forced him into exile in the United States is still in place. "The stage is being set for a return to business as usual. . . All that has changed are some of the actors. The play is a tragedy and in Haiti, as in theater, the outcome of a tragedy is predictable: it invariably ends without solutions and with many deaths."

## Haiti: The Political Rot Within

BY ANTHONY P. MAINGOT

Many have portrayed Haiti as a classic "soft" state, a place where "*la magouille*" (as Haitians call corruption) is something that "hov-ers around lives and reputations like a leering, scabby, sticky-fingered creature. . ."<sup>1</sup> If we are to understand—and sympathize with—the predicament of those who promise to reform Haiti, we need to understand how this soft state evolved.

### PAYING FOR THE WHITE MAN'S BURDEN

In 1910, five years before the first United States occupation, the Haitian economy was controlled by foreigners. Not by Americans, as the myth has it, but by some 200 Germans who controlled 80 percent of the island's international trade, all the major utilities, and the one railroad and tramcar line. Haitians were relegated to being "in coffee" or "in politics." Thus the Haitian rationalization that, since foreigners blocked other avenues, they should take full advantage of the one they had a probability of controlling: government. In time, as Emmanuel Edouard noted in the late nineteenth century, being "in politics" but especially "in government" was to be what foreigners called corrupt.<sup>2</sup> Haitians, he lamented, did not call it that; in fact, instead of reproaching dishonesty among their leaders, they envied their opportunity. (In Cuba during the first three decades of the twentieth century, the situation was similar. Americans controlled much of

the sugar industry and the utilities, Spaniards urban commerce, and Chinese the street-vending business. Cubans were left with government posts. This explains the nationalist content of the 1933–1934 revolution.)

This frustrated sovereignty and arrested development engendered the "conflict" or "friction" theory of corruption that is so widely accepted in the Caribbean: unable to gain access to other sectors of their economies, national elites use political office for personal economic advantage.

North Americans and Europeans, however, preferred the all-encompassing cultural explanation that Haitians—like Cubans and other Latins—are inherently corrupt. The implication of this, of course, was that they could not be trusted with the development process. This, in turn, meant the need for rule or at least tutelage by outsiders. There certainly was something of this in President Woodrow Wilson's decisions to occupy Haiti and several other Caribbean islands. It should come as no surprise, therefore, that one of the first missions of the United States marines after landing in Haiti in 1915 was to secure the total deposits (\$500,000) of the central bank and transport them to banks in New York. This was the first step toward establishing total control over all aspects of Haitian finances.

During the first occupation, concern with morality in government was only part of the reason for such actions, since the promotion of virtue had a specific imperial function. As distinct from 1994, when the United States taxpayer paid for the occupation and aid to a restored Aristide, nearly all the costs of the 1915–1934 occupation came from Haitian monies. Controlling customs, the central bank, and all the Haitian ministries—keeping them out of Haitian hands—did indeed provide sufficient cash to maintain 250 American advisers as well as finance a state budget, broken down as follows:

- Repayment of foreign debt: 40 percent

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<sup>1</sup>George Packer, "Choke Hold on Haiti," *Dissent* (Summer 1993), p. 300.

<sup>2</sup>Emmanuel Edouard, *Essai sur la politique interieure d'Haiti* (Paris, 1890), pp. 42, 99–100.

- Costs for United States advisers: 13 percent
- Creation and maintenance of gendarmerie: 20 percent
- Public works: 21 percent
- Education: 11 percent

This raises a rarely discussed aspect of the occupation. The spartan American rule demonstrated that it was possible to operate a reasonable government on Haitian monies, but this incorruptibility had another face: an overbearing managerial style compounded by hard-core individual and institutional racism. Few Haitians believed that probity in government was worth such a heavy price. This partly explains the resistance to and rejection of everything American, including honest management practices. As Haitian anthropologist Rémy Bastien put it, by the time the first postoccupation president, Stenio Vincent, retired in 1941, Haiti had returned to "its best despotic traditions: expulsion of senators, assassination of journalists, [plots] within the army and administrative corruption."

As have so many other Haitians over the years, Bastien hoped that a "less corrupt generation" would eventually govern his country. But Bastien never makes clear what might bring about such a revolutionary change. This is hardly surprising. The intractability of the problem is such that it tends to immobilize efforts to ameliorate, much less eradicate, it. The various phases of corruption in Haitian history demonstrate this quite vividly; they provide little ground for optimism that there will be significant change soon.

### CORRUPTION, HAITIAN STYLE

Between the end of the American occupation in 1934 and the arrival of François ("Papa Doc") Duvalier in 1957, being "in politics" involved at most 5 percent of the population, with fewer than 2,000 and, according to one account, perhaps only 300 people actually running the state. A basic political pattern was established: an educated urban and largely mulatto elite used the state to enrich itself by any means possible. Its members paid little or no taxes or customs duties, or even their utility bills. With these gains they manipulated the ambitious military leaders they placed in office. It became known as *la politique du doublure*—the black understudy in office, but mulatto power calling the shots. The military leaders, in turn, made sure they enriched themselves as quickly as possible.

Corruption in the pre-Duvalier period was a straightforward patrimonial system operating on a patronage and spoils basis. The problem was that the available spoils were so meager they magnified the battle for their control. This led to an attempt to keep the ruling group small and intimate, which cut down on the number of claims to the booty of office and at the same time increased the quotient of personal loyalty and reciprocal obligations owed the patron. But even the reduced group chosen for favor—the mulatto caste—divided into rival cliques in the competition to get and hold on to office. Holding office was everything. Unsurprisingly, in 1941 sociologist George Eaton Simpson noted that politicians who had lost their posts constituted a major portion of the impoverished elite. Unfortunately for them, in the next phase of corrupt government these elites would lose more than their fortunes.

The patrimonialism of alternating mulatto cliques was not so much destroyed as it was deflected or isolated with the accession of François Duvalier. Duvalier revolutionized Haitian politics and in the process widened and deepened the structure of corruption. "If any regime may be said to have been *fundamentally* corrupt," wrote one scholar of corruption, "it would be the Duvalier regime."<sup>3</sup> By converting a black-power, nativist movement into a sultanistic form of state power, Duvalier removed the mulatto cliques as contenders for the beneficence of the state. He, and he alone, created new groups and thus new aspirants to power.

There was nothing lackadaisical about Duvalier's methods. He widened the role and function of corruption at the public level. This was done for two reasons. Since others controlled the traditional private sources of rewards, new spoils necessarily had to come from the state. The second reason was perhaps even more significant: the power of the sultan depended on creating a counterweight to the old elites and the private sector, and he could do so only by widening the range of recipients of state prebends.

The end result of this was parallel systems of private and public corruption. In the private sector the old mulatto elite, displaced from state politics, continued its habits of avoiding taxes, corrupting public officials, and expatriating capital. Eventually, especially under Jean-Claude ("Baby Doc") Duvalier, this private sector corruption began to function symbiotically with corruption in the public sector. In short, corruption became a much more complex phenomenon not only because it was diversified but also because in the absence of ideology or other forms of loyalty, it became the essential link between the public and private sectors. It was the mutual gains provided by a generalized system of corruption that allowed these otherwise natural enemies to coexist. It was under Jean-Claude Duvalier,

<sup>3</sup>James C. Scott, *Comparative Political Corruption* (Englewood Cliffs, N.J.: Prentice Hall, 1972), p. 86 (emphasis in original).



however, that this system was honed to perfection and so bequeathed to today's reformers.

## HOW THE "SOFT STATE" WORKED— AND HOW IT RUINED HAITI

To understand the nature of this triumphant kleptocracy is to understand how the poorest country in the Western Hemisphere—where the per capita GNP was (and is less than) \$250 a year and the per capita government expenditure for health was \$2 per year—provided Duvalier, his relatives, and his wife's relatives with such enormous fortunes.

The fine-tuning of the kleptocratic state occurred with the marriage of Jean-Claude to Michelle Bennett, daughter of a provincial mulatto family. The Duvalierist system of public corruption, formerly coexisting with the old mulatto elite, now co-opted that elite and added an arriviste mulatto group. A system of power through tyranny was joined to an expanding system of private economic despoliation and plunder. As one of Jean-Claude Duvalier's former aides once remarked, "Money for his father [Papa Doc] was a way of keeping power. Power for Jean-Claude was a way of making money."

Comprehending how this money was made requires the dismissal of several myths. The first is that Jean-Claude Duvalier's rule and misuse of state funds fit a traditional Haitian system of corruption whereby favoritism and nepotism operate to exploit loosely regulated state finances. The new Haitian kleptocratic state was nothing of the sort. Baby Doc's system was the modern institutionalization of corruption through the nationalization of the economy—usually under the ideological guise of defense of the national patrimony. Dictators such as Rafael Leonidas Trujillo in the Dominican Republic and the Somoza dynasty in Nicaragua had discovered the same formula.

The second myth is a misunderstanding of the status of Haiti's armed forces during these years. Before the senior Duvalier came to power, they were—whether manipulated or autochthonous—"kingmakers." Duvalier destroyed this capacity for power by creating a counterforce: first the Tontons Macoute and then the *Volontaires de Sécurité Nationale* (VSN), three times the size of the regular army. Under Baby Doc the regular army lost even more ground; between 1972 and 1982 there were relative declines in military expenditures and size, and the paramilitary forces were also squeezed.

Corruption was thus deepened. Instead of payment, the paramilitaries were given an even wider state license to collect their rewards from the population—not unlike the "letters of patent" given by European monarchs to their privateers. And since the military did not participate collectively in the spoils, individual senior officers were encouraged to take private initiatives outside the institution. The military went into business.

A final myth is the widely held belief in the United States that Haitian fortunes—such as that of Duvalier-Bennett—came primarily from skimming off foreign aid, especially from the United States. This was done, to be sure, but it furnished only a minor part of the take. Between 1976 and 1982, Haiti received \$618 million in foreign aid. Only \$218 million of that came from the United States; of this half was spent directly through private organizations without the involvement of the Haitian government. The balance went into the Haitian budget, but even there much of it was under the supervisory control of the Agency for International Development (AID) and other United States agencies.

While stealing from the nation could be done with total impunity, stealing from international aid carried severe penalties. The crisis the regime faced in 1985 stemmed partially from foreign responses to Duvalierist thievery. Marc Bazin, called "Mr. Clean" when he was minister of finance for six months in 1982, later related how the Duvaliers stole \$20 million of the \$36 million he had secured from the IMF. Similarly, oil provided under an agreement with Venezuela and Mexico was cut off when it was discovered that substantial amounts were being resold on the world market, especially, it appears, to South Africa. All this came back to haunt the regime.

## IMPOVERISHING THE IMPOVERISHED

Clearly, the as yet undetermined millions with which the Duvalier-Bennett clan absconded had to come from other, more "risk free" sources. In a country as poor as Haiti, where the middle and upper classes had developed time-honored ways of escaping from the insatiable grasp of the state, it was the Haitian masses who provided the greater part of the take. The bulk of the monies came from two sources. The most obvious, but probably not the most lucrative, was a network of private businesses owned by seven members of the Duvalier family, seven from the Bennett family, and assorted relatives, military men, and friends. The list of firms is long, the hidden ownerships difficult to trace. It is abundantly evident, however, that above and beyond the gains derived from its links to the state, the private sector enjoyed an additional privilege: by conducting most transactions in United States dollars, these families benefited from the sale of dollars at black market rates as well as from the ability to easily open hard currency accounts in foreign banks.

The most magnificent, continuous, and risk-free source of the Duvalier-Bennett fortune, however, was the "take" from state enterprise, which squeezed the working class, even at the cost of malnutrition and general despair. The scheme operated through control over essential services and monopoly ownership of critical commodities such as flour, sugar, oils, and cement. It was "risk-free" because it involved national, not foreign, money. The weakness of civil society

allowed the regime to skim large sums off budget items invariably labeled "social works" or "national defense."

The damage to the development process was psychological and material. Haiti stood in stark contrast to most other Caribbean countries, where political pressures forced populist regimes to run public services as a means of subsidizing politically active urban populations. In Haiti no such pressures were even recognized. For example, there is virtually no public transportation; urban workers spend up to 30 percent of their wages, and fully two hours of their day, on private transportation. The private driver has to pay the state astronomical sums for his car permit, driver's license, and insurance. Even his gasoline costs 150 percent more than it does in the United States, and auto repair parts several times that.

In Haiti the so-called public services passed the costs on to consumers and served as a major source of income for the state. The state electric company had the highest rates in the Caribbean, the rates of the state telephone utility were exorbitant, and the national airline, Air Haiti, charged much more to ship cargo than did most of the other carriers in the region (the country's other airline, Haiti Air, was owned by the Bennetts).

State control of manufacturing provided the greatest opportunity for plunder. With foreign loans guaranteed by the state, inputs of raw materials (paid for in hard currency), and wholesale (and often retail) sales, it was, and still is, a modern business. Under Jean-Claude Duvalier, the Ministry of Finance and the central bank were intimately linked to it. Their technical skills were essential for the complex chicanery that systematically fattened various secret foreign bank accounts and permitted the skimming of funds from state-owned enterprises. A good illustration of the breadth of corruption at the time is the Haitian sugar industry.

In the 1970s sugar from Florida, where workers earned an average of \$6.50 per hour, sold for less than sugar from Haiti, where workers earned less than 25 cents an hour. When the Duvalier regime built a new sugar refinery in Leogane in 1983, one thing was patently clear: its refining capacity was approximately three times the total Haitian production of sugarcane. The plant was not economically viable even at exorbitant sugar prices. Why was it built? Because the kleptocratic state and its private sector contractors made money from the plant's construction. The plant also cost three times what it should have. The money-sucking went even further, however. Duvalier personally received \$2 million from the Dominican Republic's State Sugar Council in return for the "delivery" of 20,000 Haitian cane cutters desperate for work. It took foreign pressure to halt this exploitation; when news

about the agreement broke in Miami and Paris, the deal was stopped.

Even the people's diet and nutrition were put at the service of the insatiable Duvalierist state. The scandal surrounding the Minoterie flour mill is a case in point. First, nutritionally deficient white flour was promoted as a Haitian staple, even though Haiti does not grow any wheat. Second, Haitian flour was priced 35 percent higher than imported flour, despite the fact the government-owned mill did not pay any taxes on imported wheat and had since 1982 received about 25 percent of its wheat supply as a gift from the United States. Minoterie, however, "lost" \$11.8 million in 1983, or \$4.62 per 100-pound bag; the loss did not prevent Duvalier from receiving \$1 for every 100-pound bag produced.

Here, in a nutshell, was the kleptocratic state as it operated until 1986. But the fall of the Duvalier dynasty that year did not bring this system to an end—it widened it further.

## CORRUPTION WITHOUT DUVALIER

This further widening of corrupt practices in Haiti after Jean-Claude's departure was driven by a malevolent logic and rationality that perfected the system that confronts reformers today.

First, the Duvalierist military forces had the opportunity to compound their vested interests because of changes in government economic policy, which were largely compelled by multilateral lending agencies and the United States AID mission. The policy involved the dismantling of the state- (read Duvalier-) controlled monopolies in consumer staples and utilities as well as the opening of the market to outside goods. One result of this was intensive smuggling. Goods had always entered across the border with the Dominican Republic and through the ports; now they came in larger amounts and were largely controlled by the military. Together with control of the illicit drug trade, this contraband provided individual military men with substantial funds. Given the reduction in budgetary allocations, some military commanders reportedly supplemented the salaries of their men out of their own deep pockets. It was said to be the only guarantee of their loyalty.

These economic and marketing changes produced two trends, both vital to an understanding of the post-Duvalier situation. Increased smuggling caused a dramatic drop in the cost of staples, and thus a removal of the "microeconomic" dimension of any political crisis. It also led to a serious division in the nation's economic elite between commission-agent importers, those in import-substitution manufacturing, and those in manufacturing for export.

This division removed the old quid pro quo arrangement between the Duvaliers and the business elites under which the latter were left alone in return for their

political neutrality. After 1986, the various cliques in the private sector lined up behind different contenders for power. On the surface it might appear to be a return to the pre-Duvalier pattern. It was not, for the simple reason that the military now had its own sources of economic power: jobs in the remaining state enterprises and the “democratization” of smuggling—especially drug smuggling. These economic conditions gave the military considerable space to operate in the short term.

Who may or may not have been involved in the drug trade may never be totally unraveled. But what is not in dispute is that Haiti had become—at least since the late 1970s, according to the United States Drug Enforcement Agency (DEA)—a major transshipment point for Colombian cocaine. Drugs reached into the highest circles. Jean-Claude Duvalier’s brother-in-law was jailed in Puerto Rico in 1979, accused by the United States of transporting drugs. Well-organized links between Colombian cartels and Haitian gangs operating in the United States—especially along the Miami River—flourished.

Haiti did not become a major United States drug concern, however, until 1987. By then the pressure was on President Leslie Manigat to rid his regime of one officer in particular, Colonel Jean-Claude Paul, commander of the Dessalines Battalion. Paul had been indicted by a Miami, Florida, grand jury on drug-running charges and the United States wanted Manigat to extradite him.

Despite United States pressure, Manigat refused to extradite Paul or turn over information on drug smuggling by other officers. There was a strategic political reason behind Manigat’s “defense of sovereignty”: Manigat was using Paul as a card in the complex game of power that was the post-Duvalier legacy of a history of corruption. The Dessalines Battalion Paul commanded had the advantage of location, a well-fortified garrison right behind the presidential palace, and good intelligence based on its traditional ties to the police force and to the Tontons Macoute.

The man who put Manigat in the palace, General Henri Namphy, is the same man who overthrew him. And Colonel Paul, his presumed ally, joined Namphy and was promoted to general. A few months later Paul died mysteriously after eating pumpkin soup. Namphy himself was removed from office in September 1988. The one doing the moving this time was General Prosper Avril, commander of the presidential guard and deeply involved in a variety of businesses.

Later, from his exile in the Dominican Republic, General Namphy would claim that he was overthrown because he was “struggling against drug trafficking and putting a stop to the conflicts of interest going on

within the Haitian army.” As it turns out, Avril also claimed that it was his policy of “cleaning up the nation” of politicians and officers “implicated in drug trafficking” that led them to move against Namphy’s government. They were probably both right, merely giving two sides of the same story about the ongoing battle to control the drug trade.

The rebellion against Namphy came after he dismissed four high-ranking officers he had accused of involvement in the drug trade. Later there were unsuccessful anti-Avril rebellions of the Dessalines and another battalion, both claiming that they wished to root out drug corruption. Rebellious officers explained that Avril’s control over the presidential guard and the loyalty of the latter was a result of a weekly “extra payment” made by Avril directly; this, they said, was “corrupting” the armed forces.

All this indicated that corruption had deeply divided and perhaps even checkmated the military. It was precisely the deepening and widening of corruption that allowed the emerging civilian political forces to take advantage of the splits in the military. General Avril himself allowed the political opening that, by pleasing the United States, took the heat off his corrupt ways. This finally led to his overthrow by officers who, using the massive pro-democracy mobilizations, carved new positions for themselves. The story of Father Jean-Bertrand Aristide’s successful exploitation of that opening has been told elsewhere.<sup>4</sup> The issue here is: what are the prospects for a real sanitization of that system?

## CLEANSING THE COUNTRY

*Se Lavalas* means to wash away, to cleanse. It is an appropriate symbol for Aristide’s movement, which promises to empower the people by clearing away the corrupt elites that keep them down. Immediately on taking office in 1990, Aristide attempted to carry out the promise to wash the whole system clean. Hindsight tells us that he completely underestimated the depth, width, and complexity of the issue. It is evident that, above and beyond his inflammatory language, it was Aristide’s attempt to move against all corruption that led to his overthrow. How the elites dealt with the embargo that followed Aristide’s overthrow tells us a great deal about what he faces now that he has been restored by an American invasion.

The evidence that these elites, civilian and military, not only survived the United States–UN embargo but might have emerged stronger, is of two kinds. First, there are journalistic accounts such as those of *The Miami Herald*’s Andrés Oppenheimer, who described stores full of expensive goods and a casino crowded with big spenders. At the height of the blockade, new “for members only” gambling rooms were opening with bets starting at \$50. Perhaps more important are the reports from multilateral agencies. In 1993, two

<sup>4</sup>See Anthony P. Maingot, “Haiti and Aristide: The Legacy of History,” *Current History*, February 1992.



years into the blockade, commercial banks in Haiti absorbed a flood of deposits, which provided them with high levels of liquidity. The Inter-American Development Bank believes that Haitian nationals, fearing that their funds held in the United States might be frozen, repatriated their money to accounts in Haiti (\$27 million in 1993 alone).

This story has three lessons: 1.) the extent of capital flight; 2.) the facility and speed with which Haitian elites can move their capital; and 3.) the perverse self-assurance of these elites that investing was warranted because at the end of the crisis they would still be on top. Everything thus far indicates that they did not err in their calculations.

### FORWARD TO MORE OF THE SAME?

It is evident that neither the cultural nor conflict approaches to corruption adequately explains the Haitian case. Whether the leadership has been from the mulatto elite or from the black masses, it has been corrupt. In Haiti, corruption continues because the rewards invariably outweigh the punishments or sanctions, at home or abroad. This can clearly be seen in the much-heralded "war" on drug corruption in Haiti.

During the 1991–1994 "interregnum" there were many reports of drugs slipping out of Haiti despite the embargo. On April 15, 1993, the United States Coast Guard discovered 100 pounds of cocaine onboard a Haitian freighter on the Miami River. That same month a United States Congressional delegation visited Haiti and reported that major Colombian cocaine trafficker Fernando Burgos "continues to live and flourish" in Haiti, untouched by Haitian narcotics services. In 1993 United States government officials ranked Haiti eighth on a list of ten nations shipping drugs to the southeast United States. Aristide repeatedly said that it was second only to Colombia.

There were relatively few charges against the military coming from the United States, however. Three weeks after President Bill Clinton added drug trafficking to the five national security concerns that might force the United States to act militarily against the Haitian military regime, the administration gave its first major detailed account of the Haitian military's involvement in the trade. At that point, the two lawyers who had defended Panamanian General Manuel Noriega flew to Haiti. One, contacted by *The New York Times*, gave no details of their discussion in Haiti but did offer that "Generals are our business."

One could be forgiven for seeing the heavy hand of geopolitics in the sudden United States concern over drugs in Haiti. "There is less true concern over the narcotics problem than there is to lay a foundation for some kind of military action in Haiti," said Representative Robert Torricelli (D-NJ), chairman of the House Foreign Affairs Subcommittee on Western Hemisphere Affairs.

In September 1994, former President Jimmy Carter and retired General Colin Powell described the head of the military regime, General Raoul Cédras, as "honorable" and secured from him an agreement to leave the island. The other top generals had already fled to the Dominican Republic. The United States then occupied Haiti unopposed. It had done so with 330 men in 1915; in 1994 it deployed 25,000. In 1915 the United States had no idea it would stay for 19 years; in 1994 it was determined to stay less than one. Other than that, the outcome will probably be the same.

Last October the United States began training the "new" Haitian armed forces in "ethics and human values." Although United States officials admitted that the courses should last six months, they had been ordered to condense the curriculum into about six days "because of the urgent need to relieve American troops of police duties."

On November 8, 1994, *The Miami Herald* noted that since July 1994, a cousin of General Philippe Biamby (one of the trio of generals targeted for removal by the Clinton administration) had been revealing to United States authorities the links between the Cali drug cartel and the Haitian generals. Yet no one in the military has been indicted. Meanwhile, just as in 1915, the elites have become the necessary agents for the occupying forces. Their houses, warehouses, docks, and delivery services—many built during the embargo—have been contracted and pressed into duty by the United States. Customs checks and import duties have all been relaxed to encourage the rapid replenishment of goods from abroad. Not a single trial of what United States officials were calling "morally repugnant elites" (MRES) has been initiated; there is not even the Haitian equivalent of a General Noriega being tried before a United States court. The stage is being set for a return to business as usual. For Haitian elites, military and civilian, this means returning to being "in politics." All that has changed are some of the actors. The play is a tragedy and in Haiti, as in theater, the outcome of a tragedy is predictable: it invariably ends without solutions and with many deaths. ■

"Perhaps the most unsettling aspect of recent events is that Haiti's future now depends almost completely on outsiders. Foreign governments, the international financial institutions, the multinational military force, and potential foreign investors will control the nation's destiny for some time."

## Haiti: Kick Starting the Economy

BY ANTHONY T. BRYAN

On December 8, in his first public speaking appearance in the United States since he was returned to power, Haitian President Jean-Bertrand Aristide offered a dramatic comment on the state of his country's economy: Haiti "is moving from misery to poverty." Stressing that "there can be no prosperity without democracy, and there can be no democracy without economic prosperity," he urged international development agencies to help rebuild Haiti's ravaged economy. Without their support, he added, "the light of democracy and economic development in Haiti will surely grow dim."

Haiti's dilemma is the result of historical, political and socioeconomic problems for which there is no quick fix. Since its successful revolt against the French and subsequent independence in 1804, the country has paid an enormous price for being the Western Hemisphere's first black republic. The developed world has often treated it as a pariah state, and its political legacy has been one of almost continuous dictatorship. Aristide, the charismatic priest who won the presidency by a landslide in the nation's first free elections in December 1990, was overthrown by the military on September 30, 1991. The military regime refused to bend to the wishes of most Haitians and the international community for the restoration of democracy. It took international embargoes, the threat of military invasion by the United States, and the eventual peaceful occupation of Haiti by United States and multinational forces to restore Aristide to power on October 15.

Haiti is slowly moving toward democratic rule. With the help of the multinational force, the paramilitary groups have been disbanded; an interim police force of 2,960 (mostly vetted and retrained soldiers from the police and army plus former refugees) is going on duty;

and a new police academy was scheduled to open in January to begin training a permanent force. New judges have been appointed to the supreme court; and a cabinet representative of the country's diverse communities has been installed. But the road map to a democratic transition in Haiti is by no means precise.

Even with Aristide back in power, Haiti still lacks the strong political and institutional bases for a democratic state. The transition will be complete only when a clean break with the systems of social and political injustice becomes evident to the Haitian people—that is, when the rule of law is established, political institutions are reformed and made more accountable to the people, and informal political organizations (in particular nonpartisan grassroots groups) are fostered. Even when the transition to a more representative form of government is complete, international support for Haitians strengthening the democratic process must continue. Fortunately, at present, the international community seems prepared to assist in the country's immediate political and economic recovery as well as its long-term growth.

### THE LONG ROAD TO ECONOMIC RECOVERY

The military regime that overthrew Aristide also presided over a dramatic deterioration in Haiti's economic fortunes. The economy had been in decline since 1980 because of a number of factors: population increases that consistently offset any gains in real GDP; inappropriate fiscal and monetary policies; political instability (especially after the military disrupted the 1987 elections); labor unrest; and pervasive inefficiency and corruption in the public sector. Before the coup, the Aristide government had introduced measures to improve revenues, counter smuggling, promote tourism, and encourage investment in the private sector through a program of tax incentives and trade liberalization. Aristide was also close to concluding negotiations with the IMF on a 13-month standby agreement before he was forced from office.

Haiti's economy declined precipitously during the military's reign. It is estimated that per capita income

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## HAITI: BASIC DATA

**Total land area:** 10,714 square miles

**Population:** 6,431,977; growth rate 2.3%

**Environment:** Lies in the middle of the hurricane belt and subject to severe storms from June to October; occasional flooding and earthquakes; deforestation; soil erosion

**Natural resources:** Bauxite

**Land use:** arable land 20%; permanent crops 13%; meadows and pastures 18%; forest and woodland 4%; other 45%; includes irrigated 3%

**Labor force:** agriculture 66%, services 23%, industry 9%

**Unemployment rate:** 25%–50%

**Agriculture:** accounts for 28% of GDP; mostly small-scale subsistence farms; commercial crops: coffee, mangoes, sugarcane, and wood; staple crops: rice, corn, sorghum

**Industrial production:** accounts for 15% of GDP; industries: sugar refining, textiles, flour milling, cement

manufacturing, tourism, light assembly industries based on imported parts

**GDP per capita:** \$440

**Exports:** \$163 million (1990 est.); commodities: light manufactures 65%, coffee 19%, other agriculture 8%, other 8%; partners: US 84%, Italy 4%, France 3%, other industrial countries 6%, less developed countries 3%

**Imports:** \$300 million; commodities: machines and manufactures 34%, food and beverages 22%, petroleum products 14%, chemicals 10%, fats and oils 9%; partners: US 64%, Netherlands Antilles 5%, Japan 5%, France 4%, Canada 3%, Germany 3%

**External debt:** \$838 million

**Debt as percentage of GDP:** 40.8 (1993 est.)

**Inflation rate:** 48% (1993 est.)

**Life expectancy at birth:** 56 (1992)

**Adult literacy:** 55% (1992)

**Population with access to:** health services, 50%; safe water, 39%; sanitation, 27% ■

Sources: Central Intelligence Agency, *World Fact Book*, 1993 (Washington, 1993); United Nations, *Human Development Report*, 1994 (New York: Oxford University Press, 1994); Inter-American Development Bank, World Bank.

declined from \$390 to \$240 over the three years of military rule, and real GDP fell 34 percent. Exports dropped from \$163 million in 1991 to \$72 million in 1993, while imports declined from \$300 million to \$173 million. The inflation rate, which was 8.4 percent in 1991, reached 48 percent by the end of 1993. The national currency, the gourde, lost 60 percent of its value last year. Although two-thirds of Haiti's population does not participate in the formal economy, it is estimated that by mid-1994, 75 percent of the nation's workforce was unemployed or underemployed and that more than 100,000 jobs had been lost during the three years of the embargo.

But political problems were not the only reason economic development came to a virtual standstill; the primary cause was the hemispheric trade embargo the Organization of American States (OAS) imposed in October 1991, the oil embargo implemented by the UN Security Council in June 1993, and the total trade embargo imposed by the UN in May 1994. In June a

further blow was struck when the United States suspended all commercial airline flights to and from Haiti, banned most financial transactions between the two countries, and froze the assets of certain Haitian supporters of the military regime. These sanctions—full of loopholes for the wealthy—were blunt instruments that rendered more than one-third of Haiti's population dependent on aid programs for food and health care. Smuggling and the black market grew rapidly. In the most dramatic manifestation of the devastating impact of political persecution and economic regression, thousands of Haitian "boat people" attempted the perilous journey across the Florida Straits to Miami.

Aristide's reinstatement and the removal of sanctions against Haiti have prompted serious efforts by the domestic and international communities to help rebuild the weakest economy in the Americas, as well as to build the base for democratic governance. In 1993, when Haiti was laboring under the military govern-



ment, a joint mission of the World Bank, the Inter-American Development Bank, the United Nations Development Program, the OAS, the constitutional government in exile, and the United States Agency for International Development (AID) developed an emergency economic recovery program for the nation. Some \$210 million has been allocated for emergency programs to be carried out over the first 12 to 18 months of the country's reconstruction. The bulk of the money will be used to repair infrastructure and to create jobs by encouraging activities in the informal sector and new labor-intensive temporary employment. It will provide support to improve agriculture, energy, industry, public health, nutrition, and education. Humanitarian assistance is also expected to amount to \$95 million in the first year. Furthermore, official clearing of Haiti's \$83 million in arrears to international donors has paved the way for the IMF, the Inter-American Development Bank, and the World Bank to release about \$260 million for preexisting projects frozen since the 1991 coup and will permit Haiti to tap into new aid flows. The United States and other governments will assist directly by granting new loans, forgiving portions of Haiti's foreign debt, and rescheduling payments.

The assistance program has also earmarked some \$85 million to strengthen democracy in Haiti. This includes restoring government operations, developing an independent judiciary, creating a police force separate from the military, reintegrating demobilized soldiers into civilian life, improving local government, and providing technical support and civic education for elections.

Rebuilding the nation's shattered economy is a monumental task. Agriculture is the most important economic sector of the Haitian economy; it employs the largest number of workers and accounts for 28 percent of the nation's GDP (before the embargo, coffee exports accounted for nearly half the country's total exports). Despite efforts at diversification, agriculture remains the dominant—yet the weakest—component of the economy. It is handicapped by the small size of farms, soil erosion resulting from the deforestation of all but about 7 percent of the arable land, faulty agricultural practices that accelerate the disappearance of remaining arable land, and a lack of irrigation and proper infrastructure, such as feeder roads.

Before the sanctions, manufacturing contributed significantly to export earnings. Historically, assembly operations in Haiti have supplied the market in the United States with apparel, sporting goods, toys, garments, electronic components, and pharmaceutical products. Because of low labor costs and preferential access to the United States market under trade provisions such as the Caribbean Basin Initiative, assembly in Haiti provided the United States with a viable alternative to assembly in East Asia. In 1987, at the

height of their success, 130 assembly plants employed more than 50,000 Haitians, generating more than \$200 million annually in foreign exchange and producing the bulk of the country's exports. But the international sanctions hit this sector hard. By early 1992, only 4 assembly plants were still operating and they employed a mere 600 workers. Last June the United States terminated special licenses and tax exemptions for the estimated 70 American assembly firms in Haiti, although most had already relocated their operations to other countries in the region. Similarly, Haitian "twin plant" operations that shared production with sites in other Caribbean countries quickly moved to free trade zones in the Dominican Republic and Honduras. Manufacturing in Haiti is now concentrated in basic consumer goods for domestic consumption and essential building materials.

Services represent approximately 40 percent of Haiti's GDP, but this sector has also suffered because of political unrest and the resulting decline in tourism. In 1989 some 200,000 tourists visited the island; by mid-1994 the number was negligible.

## BACK IN BUSINESS

Addressing the Caribbean/Latin American Action Conference in Miami on December 15, President Aristide courted investors: "When you come to Haiti as a friend, you may stay a few days; when you come to Haiti as a good friend you may stay for a couple of weeks; but when you come to Haiti to invest you may stay for life." He went on to outline the steps his government was taking to encourage investment. New investors will enjoy an automatic 50 percent reduction in telephone, electricity, and customs charges, and there will be additional tax incentives for firms that commit to return to Haiti by this July 1. In addition, the government will simplify procedures for companies planning to do business in Haiti, and introduce legislation to drastically reduce tariffs on imported items, especially food. These incentives will be bolstered by legal and regulatory reforms intended to create an open market system, and by measures to lower the government deficit of \$143 million and combat inflation. A Presidential Commission for the Growth and Modernization of the Economy, consisting of 15 leading members of the business community and 7 government ministers, has been formed. And a tripartite commission on labor-management relations, which will bring together labor unions, management, and the government to resolve problems facing employers and workers in Haiti, is next on the list.

Haiti's efforts are being matched by a United States program to assist economic revitalization by encouraging private sector recovery and stimulating trade and investment between the two countries. The program will provide financing and create a strong commercial policy that supports investment by American and

Haitian firms in productive enterprises, especially in labor-intensive assembly and handicraft concerns. Specific measures include the formation of a joint Business Development Council composed of private sector and government representatives. A Presidential Business Development Mission will also journey to Haiti early this year to identify trade and investment opportunities and forge private sector links; the Overseas Private Investment Corporation will make available between \$5 million and \$8 million in short-term working capital to American and Haitian businesses, and will allocate \$100 million in financing and political risk insurance over the next four years. Finally, the United States will provide support for technical and business training programs in Haiti.

Long-term foreign private investment is important to Haiti's survival. But the larger goal of the government's liberal economic policy is to establish macroeconomic stability by providing a good environment for the private sector, removing remaining trade barriers, and improving government taxation and expenditure programs. Since many of these reforms were left pending after Aristide's ouster in 1991, much will depend on his government's ability in the coming months to restore investor confidence.

## CHALLENGES TO A COMEBACK

The full economic recovery of Haiti is not imminent or assured. While the international emergency assistance plan and the incentives offered investors may provide a kick start, the daunting task of rebuilding the economy will depend not only on political stability but also on long-term improvements in social and physical infrastructure.

Haiti's strongest comparative business advantage is its people's reputation as the most diligent—and underpaid—workers in the Caribbean. But wages will have to rise, as will the standard of living for the majority. Funds going to charities working in Haiti and remittances from families overseas have helped some Haitians make ends meet, but major social improvements must supplement the economic initiatives. Public education must be improved dramatically and there have to be similar advances in public health.

Many of Haiti's economic problems stem from an environmental crisis caused by the wholesale depletion of arable land and forests. Much of the land is exhausted, denuded, hard to work, and lacking the necessary infrastructure. In truth, the land simply cannot support the population. The problem is compounded by the fact that 63 percent of those employed work in rural areas, but their earnings account for only 28 percent of GDP. By contrast, industry (mainly located in Port-au-Prince) employs less than 6 percent of the population yet accounts for 15 percent of GDP. Increasing agricultural production just to support the rural population, not to mention attempting to meet

national demand for food staples, will be difficult. Planning policies that stress "sustainable development" are crucial if environmental degradation and resource depletion are not to emerge as compelling reasons for continued conflict and human misery.

The various incentives being offered do not guarantee that private investment will pour in. Prospective investors will be attracted only if they see a real opportunity. Haiti will probably initially attract assembly companies that require low-wage workers but are not prepared to invest heavily for the long term. Some investors who pulled out will take a wait-and-see attitude before deciding to return, and some may never come back.

Haiti will also face severe competition for new investment from stable Caribbean and Central American countries with liberalized economies, as well as from Mexico, whose participation in the North American Free Trade Agreement gives it a significant advantage in attracting investment. In fact, as far as trade with the United States goes, Haiti's future is now linked to its partners in the Caribbean Basin Initiative. Some 50 percent to 60 percent of the total exports of Haiti and its immediate neighbors, Jamaica and the Dominican Republic, are vulnerable to NAFTA displacement. Haiti will have to lobby with its fellow CBI members for interim parity with NAFTA; this would maintain their investment appeal and temporarily prevent the diversion of investment and trade to Mexico.

Other possible inhibitors of economic progress are the island's wealthy families and their agents, who are still the real power brokers and monopoly holders. Traditionally, a few powerful Haitian families of foreign origin have prospered through monopolies on food and other essential items. Some are widely suspected of financing the coup that overthrew Aristide. Others are known to have little regard for democracy, with its attendant annoyances such as taxes and demands for increases in the minimum wage. Most profited immensely from the embargoes. Aristide has shown a remarkable willingness to compromise with these business magnates and has enlisted their support in the country's reconstruction. Those who harbor suspicions about the president's readiness and ability to pursue changes still regard themselves as offering the best chance for Haiti's economic revival. The real test of Aristide's economic management will come as the former monopolists compete in an open and liberalized economic system.

Finally, the Haitian government will eventually have to follow strict economic guidelines set by the international lending institutions that have come to its rescue. These will include the dismissal of thousands of the country's civil service workers; the sale of state-owned industries; improved tax collection; and the resumption of foreign debt payments. As in other countries in

the Caribbean, there will be winners and losers in the adjustment. Combined with free market reforms, it will likely bring benefits for a few, and uncertainty or further impoverishment for many.

The Haitian people today are restless and expecting miracles. Democracy is a new and untested condition. Perhaps the most unsettling aspect of recent events is that Haiti's future now depends almost completely on outsiders. Foreign governments, the international financial institutions, the multinational military force, and potential foreign investors will control the nation's destiny for some time. But time is precious. In the case of the United States, key members of the new Republican majority want to drastically slash foreign aid in the 1996 budget and cut military and financial support for the Aristide government.

### **CARIBBEAN DEVELOPMENT: THE LARGER ISSUES**

Haiti has joined the former Soviet Union, Poland, the recently pacified Middle East, and South Africa as a place where the United States is committing significant capital to assist private American involvement in the development of an emerging economy. But Haiti is also part of a Caribbean conundrum, and other countries in the region are having to face some harsh realities.

Changes in the Caribbean economic climate have been extremely challenging and in some cases destructive. Most Caribbean economies have been sustained by economically lucrative products such as oil, bauxite, and bananas and by preferential trading arrangements with Europe and North America. But existing preferential market access for Caribbean products, whether in North America or Europe, will probably disappear by the end of the decade. Caribbean countries have to respond to the dynamic global and hemispheric trade environment.

Traditional concepts of Caribbean sovereignty are being eroded in this new climate. Free trade arrangements such as NAFTA and the European Union are introducing new models of political consensus-building, economic partnership, and comprehensive economic planning.

Moreover, the proper economic role of the state is being reconsidered throughout the Caribbean; for the past two decades, state intervention in protectionist economies was the norm. The private sector is now regarded as the locomotive for economic growth; the state sector is being downsized and governments are divesting themselves of many state-owned enterprises and other holdings. Free market policies have been adopted in almost every country of the region, and foreign investment is being fostered.

Further, Caribbean economies confront major developmental challenges. They need to switch to a new generation of competitive products and services for export. Negotiated free trade arrangements can be the

catalyst for this strategy, but market dynamics, a good investment climate, and subregional integration will be necessary to maintain competitiveness over the long term.

### **UNITING THE BASIN**

The primary challenge for Caribbean countries is to reposition themselves to take advantage of the new market reality plus massive flows of direct foreign investment. The Caribbean economies must move from protected markets and reduced official aid flows to the new market opportunities presented by lowered trade barriers and increased flows of private investment.

The Caribbean's relationship with the United States in this changed environment is important. Total United States trade with the Caribbean (excluding Central America) was \$12 billion in 1993 (up from \$9.6 billion the previous year). For the past decade the United States has consistently maintained a large trade surplus with the Caribbean—one of the few regions of the world in which it has done so. It is also estimated that trade with the Caribbean supports more than 40,000 jobs in the United States. Now that NAFTA is in force, a regional free trade and investment regime should be devised to eventually include every country in the Caribbean and Latin America.

Caribbean Basin nations are not, however, simply waiting to join an enlarged NAFTA. Wisely, they are attempting to strengthen and deepen economic ties among themselves to mitigate the constraints of small size. Indeed, the scope for wider intra-Caribbean trade has barely been tapped. One bold move in this direction is the Association of Caribbean States (ACS), which was established last July. This new regional group could eliminate historical divisions in the Caribbean and provide a framework for closer economic, political, and functional cooperation between the Caribbean island nations (including Cuba), Mexico, Central and South American countries on the Caribbean littoral, and Guyana, French Guiana, and Suriname.

If all 25 sovereign and 12 nonsovereign states sign the ACS convention, the association would be one of the world's largest regional groupings. It would have a potential market of 202 million people, a total annual GDP of \$500 billion, and merchandise trade of \$180 billion a year. Its diverse members possess tremendous energy and natural resources as well as industrial and financial potential. In the future the ACS could evolve into a common market or free trade zone and win greater bargaining power for the Caribbean in the global economic system.

The big question mark in the Caribbean's future is Cuba. In contrast to its neighbors, Cuba labors under a discredited ideology. Both the United States embargo of Cuba and Fidel Castro's communist regime are



anomalies in the post-cold war world. The eventual reintegration into the Caribbean of a free market Cuba will have for the other Caribbean countries trade-creating effects (for regional tourism and services) and trade-diverting effects (for assembly industries and some agricultural exports). A restructured Cuba will involve short-term shifts in trade and investment patterns that reflect a revised set of comparative advantages in the region. The impact over the longer term would be higher overall growth and a fundamental restructuring of the regional economy.

Haiti's transition is but one of many in the region. Caribbean countries are vulnerable economically, they no longer command geopolitical attention, and they must respond to increased competition in trade and investment, as well as to the demand for higher regional levels of human development. The emerging economic trends may seem to have adverse implications for much of the Caribbean. What they really represent, however, is a challenge to thoroughly reexamine the role the region can and should play internationally. ■

"Reform of civil-military relations in [Central America] still has far to go before the transition to effective civilian rule and meaningful democracy is complete. Weak civilian leadership, paralyzed judicial systems, struggling economies, and rampant criminal activity provide the temptation to return to some form of authoritarian rule. . . While significant progress has been made, the future remains unclear, and the potential for a disastrous reversal of current trends still exists."

## An End to Militarism? Democracy and the Armed Forces in Central America

BY RICHARD L. MILLETT

With the notable exception of Costa Rica, the nations of Central America have had a long and frequently violent tradition of military domination and exploitation.\* For most of this century the military ruled, and civilians, while occasionally allowed to take office, were severely constrained in exercising power. Central American armies frequently formed alliances with ruling elites, notably in Guatemala and El Salvador, or, as in pre-1979 Nicaragua, became the instrument of power for a single predatory family. Most observers considered the institution a major obstacle to the creation of democratic government. A popular cartoon in the 1970s showed a heavily armed officer in a glass case with the instruction BREAK GLASS IN CASE OF DEMOCRACY carefully printed below.

The situation appears to have changed. Civilian governments are in power in every country in Central America. In Panama the military has been replaced by a weak national police force. In Nicaragua the army has been reduced in size and is no longer the instrument of the ruling party. In Honduras the military has allowed four relatively honest consecutive presidential elections. In Guatemala two consecutive elections have occurred without overt military interference; the army,

after considerable hesitation, actually forced a president from office when he attempted to violate the constitution in 1982. In El Salvador, where the civil war ended with a negotiated peace, civilians rule, former insurgents have been elected to Congress, and the police force is separate from the military. On the surface, all indications seem to point to a basic reordering of civil-military relations throughout the region, leading to the establishment of democratic, civilian-controlled governments. The reality, however, is much more complicated and not quite as hopeful.

### THE MILITARY: AT EASE

The end of the cold war has had a significant impact on civil-military relations in Central America. While Marxist guerrilla forces remain active in Guatemala, external support is sagging, their ideological appeal has diminished, and it seems only a matter of time until a final peace agreement is concluded. In Nicaragua the formal end of the contra war has not, unfortunately, restored peace. Sporadic outbreaks of violence still occur as former combatants from both sides, angry over the government's failure to fulfill its promises, have again taken up arms. It seems unlikely that these disturbances will grow into a large-scale insurgency, but chronic instability in rural areas serves to justify the maintenance of a substantial military and to undermine efforts to revive the economy.

With Soviet-bloc support nonexistent, Cuba increasingly preoccupied with keeping its economy from collapsing, and United States policy now dedicated to ending rather than promoting regional strife, outside support for Central America's conflicts has virtually disappeared. The region has ceased to be an arena of international hostility, and concerns over international crime (including but not limited to narcotics traffick-

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\*This article draws on "The Central American Militaries and Democracy: A Fragile Relationship," in L. Erik Kjonerod, ed., *Evolving U.S. Strategy for Latin America and the Caribbean* (Washington: National Defense University Press, 1992).

ing) have become the major security issue. The net result has been a steady scaling-down of American assistance, a precipitous decline in governmental and public interest in the region, and an orientation in United States policy toward achieving political rather than military solutions to regional conflicts.

This has produced a fundamental alteration in attitudes toward Central America's armed forces. In the early 1980s, with cold war rivalries and geostrategic considerations dominating Washington's approach to the region, the military was seen as a vital ally—American officials at times seemed to prefer dealing with military rather than civilian governments. But this began to shift in the last years of Ronald Reagan's administration. The spark was the growing conflict with General Manuel Noriega's regime in Panama, but other issues soon came to the fore. Officers were found to be involved in narcotics trafficking, the militaries' power and continued human rights violations hurt the image of governments allied with the United States, and the idea that American assistance and training could produce relatively cheap victories over leftist forces increasingly seemed an illusion.

This process further accelerated during George Bush's presidency. The 1990 murder of six Jesuit priests in El Salvador by the military shocked and angered significant segments of American public opinion and jeopardized the administration's ability to continue assisting the Salvadoran armed forces. In Panama the United States ultimately felt compelled to invade, destroying the military in the process. Violeta Chamorro's victory in the 1990 Nicaraguan presidential elections ended the contra war; political stability, rather than opposition to the Sandinistas, is the key concern in dealing with that nation.

The result of these changes has been a slow, hesitant, but significant shift in United States approaches to the region. The military was perceived more and more as an actual or potential obstacle to stability and democracy. By 1991 the Bush administration appeared increasingly interested in projects aimed at demilitarizing, rather than militarizing, Central America. In most nations the United States found itself allied with civil societies seeking to reduce military influence and enhance civilian control. With the emphasis on policy switching from security to economic issues, the United States focused on acquiring customers instead of allies.

This trend has continued under the Clinton administration. Central American issues played no discernible role in the 1992 presidential or 1994 midterm elections. While some politicians, such as Senator Jesse Helms (R-NC), still devote occasional attention to disputes in the region, most policymakers seem determined to devote as little attention as possible.

The Central American militaries' perceptions of threats against them and their countries have also

notably changed over the past few years. The perceived danger from domestic and international forces of the far left has virtually vanished. As the "communist threat" has disappeared, several new threats have emerged. The clearest is that posed by the narcotics trade and globalized crime. The United States intervention in Panama provided dramatic evidence of the consequences of this threat for the military. Narcotics and the divisive impact of the narcotics trade on the military as well as the rest of society are issues with growing significance, most notably in Honduras and Guatemala.

In addition, a variety of other international criminal activities has begun to flourish. For example, refugee migration during the 1980s established links between Central America and United States street gangs such as the infamous Crips and Bloods. Most significant in—but by no means confined to—El Salvador, these links involve not only narcotics but smuggling stolen vehicles from the United States, arms trafficking, bringing illegal immigrants into the United States (from Central America, South America, and even Asia), document falsification, prostitution, and money laundering.

Other threats are posed by economic decline and the resulting rise in social tensions. These are most dangerous in Nicaragua, which seems at times on the edge of civil chaos. A related emerging concern is the steady deterioration of the environment, most obvious in the accelerating rate of deforestation but also involving increased water pollution, waste disposal problems, and soil degradation due to the extensive use of pesticides. In 1989 a Honduran officer noted, "Ousting the Sandinistas will be meaningless if the destruction of the environment makes my own country unfit to live in."

As the situation has changed, the region's officer corps have reached the consensus that traditional responses to crises are no longer appropriate. This has virtually ended military coups, except in Guatemala and Panama, where coup attempts continue to occur—although it has been over 10 years since the last successful one in Guatemala. Even more notable is that, excluding the peculiar situation that developed in Panama under Noriega, the last ouster of an elected civilian government by military coup was in Honduras in 1972, and the last open rigging of an election by the military was in Guatemala in 1982. In the latter case, junior officers responded by overthrowing the regime responsible for the fraud.

## POLITICAL PARTIES RETURN

Political parties essentially acting as vehicles for military rule have largely disappeared. Remnants still exist in El Salvador (the Party of National Conciliation) and in Guatemala (the Institutional Democratic Party), but these have lost their official status and declined to



the point where their future existence is in doubt. In Honduras the National Party and the military have discarded their traditional alliance, while in Nicaragua the old Liberal Party, long the vehicle for Somoza family rule, no longer exists. A revived Liberal Party appears to be making a comeback, but with an explicitly antimilitary orientation. In Panama the Revolutionary Democratic Party, which Noriega used as the political instrument of his military dictatorship, returned to power in the 1994 presidential elections, but it is now totally dominated by civilians and has explicitly refused to consider re-creating a regular military. There seems no prospect at the moment for the organization of new military parties. In the November 1990 Guatemalan elections, three former officers attempted to run, but the most prominent, General Efraín Ríos Montt, a former president, was denied a place on the ballot by the Electoral Tribunal and the courts, and the other two were overwhelmingly rejected by the public. This reflects the military's refusal to support and even their open opposition to the efforts of former officers to gain political power.

Ríos Montt's supporters did much better in the 1994 congressional elections, but the vote was seen as support for what was perceived as strong, honest, and nonpolitical individuals, not for the military. Indeed, the military high command generally opposes Ríos Montt's return to power. The military also increasingly suspects any alliance with a single political party. As a Guatemalan colonel recently observed: "We made a big mistake in the 1970s, allowing ourselves to become directly involved in alliances with political parties. What we must do is to supervise all political parties equally."

Changes in the civilian sector have matched the military changes. Political parties have become increasingly structured and less dependent on the personal appeal of an individual leader. In many cases parties have formed close ties with similar groups in other nations, like those of the Christian Democratic and the Social Democratic Parties, whose membership in the world party federations provides members with training, funds, and international exposure. More conservative parties are forging similar ties through the Liberal International or the International Democratic Union. In the 1990 Guatemalan elections, each of these alliances was represented by a major party while another major contender, the National Advancement Party, had close links with the ruling Republican National Alliance Party of El Salvador and a minor party claiming direct ties to the Democratic Party in the United States. The only significant exception to this pattern may be the surviving remnants of communist parties, whose international ties have vanished and which are increasingly prone to deep internal divisions.

Political parties are not the only civilian institutions to have undergone profound transformations. Labor

unions have grown and multiplied, frequently aided by international links or relationships with existing political parties. Business groups have become more organized and active in the formulation of national policies. The Roman Catholic Church, reemerging as a significant political actor, has been challenged by the growing strength of evangelical Protestants, especially in Guatemala, where they now comprise nearly 30 percent of the population.

The mass media has been most significant. The political role of newspapers has never been greater than in the past 20 years, as exemplified by the international attention devoted to Nicaragua's *La Prensa* and the paper of the same name in Panama. The November 1990 clash between Panama's new government and the newspaper *El Siglo*, which quickly resulted in a condemnation of the government by the Inter-American Press Society, demonstrated the support regional newspapers can now muster abroad—support that makes censorship or suppression much more difficult.

The electronic media has been even more instrumental. Radio reaches into the most remote corners of each nation. Guerrilla radio stations and news broadcasts from neighboring countries make it impossible for governments to control sources of information, rendering censorship of limited value at best. Television has also become a major source of information critical of existing institutions. Some of this criticism is supplied by domestic stations, but satellites have given this medium an added dimension (CNN, for example, is available in every Central American country). Under these circumstances, mobilizing and sustaining popular support for military regimes becomes an increasingly impossible task.

## AN UNEASY TRUCE

Traditional Central American civil-military relationships are collapsing. Military governments risk isolating a nation, adding to its economic woes, and encountering effective internal opposition. In an era in which a primary foreign policy focus for Central American states is the promotion of economic integration with the United States, even the threat of a military coup could prove disastrously disruptive. Efforts to manipulate the electoral process run similar risks, and are much more likely to be detected and thus undermine the legitimacy of the government that results. Even more serious—from the military's point of view—are the major divisions that appear in the officer corps when the military intervenes in politics, threatening institutional unity and undermining the principle of obedience to authority. Combined with the changing nature of external threats and the decrease in the world's willingness to tolerate, much less support, military regimes, the net effect is that the armed forces are extremely reluctant to engage in or even threaten

coups. And the decline in the frequency and credibility of such threats makes it much more difficult for the military to control the political process.

While the old pattern of civil-military relationships is no longer viable, no new one has emerged. This affects how the armed forces deal with the civilian population; with major institutional actors such as business groups, labor, and the Roman Catholic Church; and with the United States and other international players. It also affects relationships among the officers. Joining a plot against the government is now more likely to damage than advance one's career, and the presidency is no longer the ultimate reward for a lifetime of military service. Rising to the top command, an increasingly difficult balancing act, requires the ability to deal with numerous competing factions. Once an officer arrives at such a position, he is likely to be at least as occupied maintaining support within the armed forces as he is with pressuring civilian authorities to consider the military's point of view. Ties with members of his graduating class from the national military academy provide some insulation, but even this bond is becoming less certain.

The most difficult issue in creating a new relationship between the military and the rest of society involves ending the virtual immunity officers enjoy in their actions toward civilians. This question—as manifested in the case of the murder of the Jesuit priests in El Salvador—has the greatest potential for disrupting civil-military relations, both domestically and internationally, and halting or even reversing progress toward democratic government.

Efforts to promote military accountability are complicated by two additional factors. One is the existence of direct ties between the military and other internal security forces, especially the national police. In Honduras the security forces are under the direct command of army officers, in Guatemala the military exerts indirect control over the police, and in Panama the new Public Force is essentially a constabulary whose functions are largely those of a police force. These ties introduce an additional element of corruption into the officer corps, creating financial as well as institutional incentives for resisting efforts to reduce military immunity and directly associating the military with the inevitable day-to-day police abuse of civilians.

The second factor is the extremely weak judicial systems. In Guatemala and El Salvador, ordinary justice functions slowly and inefficiently, if at all, and citizens whose rights have been abused by the state have no faith in any judicial remedy. In Honduras things are not much better. And in Panama and Nicaragua, the judiciary is largely the product of the former regimes, and therefore unlikely to cooperate in efforts to hold those allied with the past government accountable for their actions.

Even when officers are charged with offenses against

civilians the results are rarely satisfactory. Those convicted of involvement in the Jesuit murders in El Salvador were soon freed under an amnesty decreed by the legislature. In Guatemala officers have either been acquitted or have managed to "escape" from military custody. In Nicaragua efforts to hold high-ranking officers, including army commander General Humberto Ortega, accountable for crimes against civilians have been routinely frustrated in the courts. In Honduras a wave of public pressure, encouraged and supported by United States Ambassador Crescencio Arcos, eventually led to the trial and conviction of a colonel for the murder of a young female student. But the process took years and the result is still not final. Even in Panama efforts to try Noriega's henchmen have produced only limited results. Throughout Central America the traditional wall of immunity shielding officers from the consequences of their actions has begun to show cracks. Unfortunately, the wall still stands.

### NICARAGUA: THE EXCEPTION

Nicaragua poses special problems related to the process of political transition. The primary issue is continuing control of the armed forces and the police by an officer corps selected and trained by the Sandinista government. The ideological nature of that selection and training process, combined with the effects on the military of the bitter, prolonged war against the United States-supported contras, made many Nicaraguans distrustful of the loyalty and reliability of these forces. The selection of the former defense minister, the brother of Sandinista president Daniel Ortega, to be commander of the army highlighted this problem and created severe divisions in the governing coalition of President Chamorro, contributing to a rupture between the administration and the bulk of the non-Sandinista deputies in the Congress.

In reality the government had little choice. It was clear that only an experienced person, acceptable to the officer corps, could command the force. Only Sandinistas, former contras, and ex-members of the defeated Somoza National Guard had this experience, and the latter two groups were clearly unacceptable to the existing army. In addition, the Sandinistas made the maintenance of some existing security forces a condition for the peaceful transfer of power to the new government. The government was able to move forward with a series of major reductions in troop strength, but has not shaken the Sandinistas' control over the officer corps. Efforts to reduce the army's power have also been handicapped by continuing internal turmoil, much of it directly related to the country's economic crisis. This has placed the Chamorro administration in the strange position of having to call on its former enemies to protect it.

Some progress in resolving this problem has been

made in recent months. After bitter debate, Congress adopted a new military code, setting a fixed term in office for the army commander and putting limited restrictions on the military's autonomy. After some resistance, General Ortega agreed to retire this year. His replacement will probably be his second-in-command and fellow Sandinista, General Joaquin Cuadra. While much of the opposition has denounced the code and the new command arrangements as conceding too much power to the military and to the Sandinistas, these developments seem to represent positive progress toward breaking the political deadlock over military issues.

## AN UNCERTAIN PATH

Amid the dangers and uncertainties that plague the region are some hopeful signs. Where violent conflict still exists, all sides feel increasingly compelled to proclaim their desire for political rather than military solutions and their support of negotiations to achieve them. Professional military education today stresses the need to maintain civilian governments, gives some attention to human rights, and tries to involve officers in direct dialogue with civilians. In Guatemala, El Salvador, and in Nicaragua, civilian governments have been able to remove defense ministers and/or army commanders without precipitating a coup attempt. Only in Honduras does the military stubbornly insist on absolute autonomy in selecting its own leadership.

The biggest problem, of course, is consolidating civilian controls and placing the armed forces under the rule of law. Any reduction of military immunity would place most officers at risk. The weakness of the judicial systems and the discrediting of many recent civilian regimes make officers even more reluctant to accept such risks. Reduced aid flows lessen Washington's ability to provide incentives for such changes. The corruption introduced by the narcotics trade, combined with the tremendous economic power of the narcotraffickers, is another complicating factor. In addition, the military is determined to maintain its own vested economic interests. Finally, significant elements in the region's armed forces still oppose change.

A serious problem of communication and credibility also must be addressed. Many officers equate a commitment to democracy with a willingness to allow civilians to take over government offices and with the military's abstention from direct political alliances or the manipulation of the political process. But these same officers remain committed to military autonomy, including control over internal security, and doubt the honesty and ability of civilians, suspecting them of manipulating the political process for their own advantage. These officers recognize the weakness of existing mechanisms for limiting civilian power other than those exercised by the military, and are not willing to give up control. Repeated cases of corruption or other abuses of power by civilian authorities only serve to strengthen such views. The armed forces are still reluctant to prevent other groups from violating individual rights, especially when such violations come from retired officers, the police, or former allies of the military on the far right. And while those at the top of the military chain of command are increasingly unlikely to directly involve themselves in drawing up death lists and similar abuses, local commanders frequently retain enough autonomy to engage in such actions and avoid serious consequences.

The prime concern of the military remains its survival as an institution. Today maintenance of at least the appearance of democracy is seen as promoting that end. But pressures to make Central American democracy more authentic, which will require reductions in military influence and an end to immunity, are steadily growing. These pressures, in turn, are certain to increase divisions in the officer corps. Reform of civil-military relations in the region still has far to go before the transition to effective civilian rule and meaningful democracy is complete. Weak civilian leadership, paralyzed judicial systems, struggling economies, and rampant criminal activity provide the temptation to return to some form of authoritarian rule. The strong support given Rios Montt in Guatemala's 1994 Congressional elections underscores this danger. While significant progress has been made, the future remains unclear, and the potential for a disastrous reversal of current trends still exists. ■



"Twelve years of democracy in Argentina have not yet produced a mature political system. The two presidential elections that have taken place during this period did put in power the two major parties of modern Argentina. This may have impressed some as the country's final arrival at a modern bipartisan democracy. But such is not the case."

## Menem's Argentina, Act II

BY JUAN E. CORRADI

With the end of the cold war—in fact, even a few years before its official demise—political democracy and free market economics became the only games in town. In South America, Argentina pioneered the exit from authoritarianism to free elections in 1983. A two-party system emerged, under which the Radicals held power for six years, followed by the Peronists in 1989. The historic task of restoring democratic principles and the rule of law fell on the Radicals. On the Peronists fell the equally daunting challenge of economic renewal. That the civic-minded Radicals would embody the democratic aspirations of the nation after the military disasters of the early 1980s was not surprising. Nor was it a surprise that, once in power, they had to suffer the seditious obstruction of displaced authoritarians. They compromised, and the fledgling democracy survived. But the Radicals inherited a stagnant, unwieldy, state-bloated economic system that they could neither dismantle nor manage. As in a poorly restored Victorian house, the makeshifts collapsed. The economy unraveled, hyperinflation ran rampant, and the party of democratic principle was democratically, though unceremoniously, booted out in favor of what seemed, initially, a re-release of archaic populism and a remedy worse than the disease.

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<sup>1</sup>By far the best scholarly overview is by Tulio Halperin Donghi, *La larga agonía de la Argentina peronista* (Buenos Aires: Espasa Calpe/Ariel, 1994).

Much to everyone's surprise, the Peronist president, Carlos Saúl Menem, showed a remarkable willingness to jettison the old trappings of demagogic, state-directed economics in favor of monetary stability, wholesale privatization, lower tariffs, and international integration. He tinkered with several economic teams until he found in Domingo Cavallo, his finance minister, the man for the job.

The story of Argentina's economic revival is well known. So are some of the human costs: unemployment, inequality, and poverty.<sup>1</sup> The picturesque style of Menem's administration, and the degraded quality of Argentine democracy under the Peronists also received coverage in the world press. Much more poorly understood, however, are the social and political dynamics that undergird Argentina's economic recovery, the nature of the country's party system, and the impact of recent constitutional changes. These will be important in determining the condition of both democracy and the economy in the near future, and during the runup to the next presidential elections in May.

### THE MARKET'S POLITICAL DIVIDENDS

The first point anyone can make is simple and by no means limited to Argentina: responsible economic reform delivers political rewards. From this perspective, capitalism and democracy seem to march hand in hand. In the case of Argentina, President Menem, with the help of his finance minister, has brought economic stability and growth to a country that as recently as 1990 was beset by staggering inflation. (Argentina's economy grew by 25 percent during Menem's first three years as president, and is expected to expand 5 percent this year. Inflation, which peaked in March 1990 at 20,266 percent, dropped to less than 4 percent in the years following.) This gives Menem a good chance to be reelected president in May, for a shorter term of four years, under a constitution that has been amended to partially suit his whim. The point is true but superficial; the underlying reality is not so simple.

Since the restoration of democracy, economic reforms have been forced on Argentina by the severity of

economic crises—above all by the generally recognized need to put an end to runaway inflation. But whereas the consolidation of democracy implied the increased participation of citizens in decision making and establishing control over the exercise of power by authorities, the economic emergencies required the concentration of power and the ability of the same authorities to act swiftly. There is an obvious tension between the demand for participation and the quest for order, between the free election of governments by citizens and the need governments may have to impose emergency decisions on the citizenry. Under such circumstances, any freely elected administration must navigate in a narrow channel flanked by democratic vocation on one side and authoritarian temptation on the other. When the administration is Peronist, the urge toward authoritarianism is stronger than the call of democracy.

When Carlos Saúl Menem was elected to the presidency in 1989, the democratic process did more than place a new government in power. It put once more at the center of public life a peculiar political subculture ill suited to respect the checks and balances—the self-limitations—of a pluralist system. Menem's use of presidential prerogative, while sometimes justified by economic exigencies, has not been exemplary in terms of republican virtue. It is, however, in line with the Peronist tradition that "leadership" is an emblem that carries intensely personal, charismatic, and hierarchical meanings. Such *Fuehrerprinzip* permeates Peronist behavior at all levels of politics—from labor unions, municipal and provincial government, and congress, all the way to the presidency. There in fact has been a trade off between the liberal-democratic and Peronist components of the political culture. When it was the opposition party, Peronism learned to adapt and submit to the rules of the pluralistic game. Since Peronism returned to power—and brought back

economic confidence—democracy has lost much of the moral high ground and republican pride that millions of Argentines occupied and displayed 10 years ago.<sup>2</sup>

### THE FREE MARKET PERONIST

A few months into his administration, Menem forced a dramatic rupture with the conventional wisdom in public policies—the welfarism, state intervention, and tariff protections that Juan Perón had sponsored. Instead, Menem sang the praises of the free market, criticized all forms of state meddling in the economy, and defended fiscal austerity. Menem's conversion to the tenets of economic liberalism was accompanied by his unabashed courtship of the business establishment and by the official endorsement of America's foreign policy objectives. The president's love for entrepreneurs and enthusiasm for the new world order were soon required. After decades of isolation, Argentina was poised to join the free world—not as a bastion of dour anticommunism, but as an open society.

Menem's about-face was swift and unorthodox for a Peronist, but it was not unprecedented. In Europe in the early 1980s, the socialist governments of France and Spain steered public policies around equally dramatic hairpin turns. The "spirit of the times" proved stronger than ideology in central and peripheral nations alike. As for Argentine precedents, one need only recall that in 1954, toward the end of his first regime, the nationalist Perón opened the Argentine economy to foreign investment and sealed his rapprochement with the United States in a warm embrace with Milton Eisenhower, President Dwight Eisenhower's youngest brother.

The policy innovations introduced by Menem had minor, if any, effects on the political behavior of hardcore supporters. Throughout his administration, the president has managed to maintain intact his base of Peronist support. Over the last decade Peronist voters have remained remarkably steady—between 36 percent and 38 percent of the total—and loyal to Menem. Most changes in support are attributable to non-Peronist voters who alternately lend and withdraw their allegiance to the governing party.<sup>3</sup> The lesson is clear: despite novel policies and alliances, Peronists continue to consider Menem one of their own. Such loyalty means that the political identity of Peronism is not based on programs and measures, or on conventional pork, but on the intangibles of collective memories, leadership style, and popular culture. The marriage of deep loyalty and pragmatism, of charisma and expediency, was a feature of the Peronist movement from the beginning. Perón acknowledged it, extolled it, and wrote about it at length. He took for his own the Napoleonic dictum "Principles are fine—they don't

<sup>2</sup>Menem's peculiar contribution to democracy is not to be found in the sphere of principles but rather in the pragmatic implementation of irreversible reforms. Thus he is frequently criticized for his amnesty of military officers charged with crimes against human rights (in 1989, the year he was elected, he pardoned 210 officers convicted in trials in the 1980s). Yet his government has halved military spending, reduced the armed forces to 20,000 troops from 100,000, sold military enterprises, and abolished mandatory service in favor of a professional force. As a result, the armed forces are in no condition to stage a coup.

<sup>3</sup>Since the 1989 presidential elections, there have been many shifts in the allegiance of voters. In essence, these shifts neutralize each other, leaving the Peronists with the prospect of receiving approximately 44 percent of the national vote in the May presidential elections. Under the new constitution, which institutes a French-style system, to win on the first ballot Menem will need to obtain either 45 percent of the vote, or 40 percent of the vote with a 10 percent advantage over the second-place candidate. Given current polls and a split opposition, the latter is more likely.

commit you to anything." And Menem was a quick study of the old leader.

### THE THREE SIDES OF REFORM

Over the past five years Argentina has led three distinct economic lives, a fact that adds not a little to the national proclivity for schizophrenia. First, there is the glittery life of stability, low inflation, and high growth, the results of a macroeconomic success story. Between 1991 and 1994 the country attained stunning cumulative rates of real growth: 33 percent in GDP, 120 percent in investments, and 37 percent in consumption. Exports were sluggish until 1994, but they are now expected to jump by 15.4 percent, and become, after investments, a second motor of economic growth, especially when a renewed Brazil develops a healthy appetite for Argentine products. Since Finance Minister Cavallo's convertibility plan went into effect, productivity has increased by more than 40 percent.<sup>4</sup> Yet parallel to this success story—most visible in Buenos Aires—is another, sadder life of hardship and pain, which is most visible in the interior. The microeconomic adjustments to macroeconomic policies open up vistas of unemployment, insolvency, destitution, and sharp regional inequalities. Many a traditional structure that depended for survival on a closed economy, high inflation, state subsidies, and avoidance of taxation has collapsed, leaving quite a few victims in the rubble and strewing the provincial landscape with ghost towns. (The economy of some provinces has contracted by one-quarter during Menem's term in office; in some of them, employment hovers around 15 percent.)

There is a third, more abstract life in Argentina: the life of national accounts, which has changed from optimism to uncertainty, from surplus to deficit; a life in which financial commitments continue to grow but revenues fail to keep up. Initially privatizations put

handsome sums in the state's coffers. But windfalls are not renewable: one can sell the family jewels only once. Some financial analysts believe that after the current privatization and stock market booms run their course, the country will have to take steps to maintain a high level of new foreign investment.

To balance the budget, the central government must become leaner and more efficient, and say no to such constituencies as pensioners, provincial governments, and state employees, including the pared-down military.<sup>5</sup> To make matters worse, Argentines simply do not save enough. With a domestic savings rate of just over 17 percent of GDP, Argentina is well behind Chile, to say nothing of Japan. When savings do not suffice, capital must be borrowed. Argentina must vie with others for the capital available in the international market, and will probably pay dearly for it. To balance its accounts, the government must sit tight and follow the tough recipes devised by the finance minister. Fiscal austerity and financial responsibility are good tools of economic management. They are not designed, however, to attract voters during an election year.

Macro-economic success, adjustment pain, and fiscal anxiety are then the three basic economic experiences of recent years. One is positive and two are negative. While everyone recognizes that the room for experiment is small indeed, Argentines face the following questions: Can the success be sustained, the pain eased, and the anxiety assuaged in the near future?<sup>6</sup> Do they have before them political proposals different enough to provide real choice, but narrow enough so as not to risk a relapse into disorder? To put it differently, and more bluntly, is Argentina mature enough to move forward past Menem? Alternatively, is Menem mature enough to improve on his record during a second presidential term? Or if the answer to both is no, will the ghosts of the past stalk the country once again? To understand how Argentines might respond to these challenges, one must look first at the party system, at the relationship between the government and the opposition, and at the new constitution, which frames that relationship.

### MENEM'S WAY

The "Argentine miracle" is an amalgam of good performance statistics on which everybody focuses, with only an occasional glance at the collateral damage and the social cost. The miracle—if there is a miracle—is in the unique combination of modern economic policies with traditional populist politics, efficiency, and caudillismo. Menem is right when, questioned about the apparent success of this counter-intuitive mixture, he quotes Frank Sinatra, and says: "I did it my way."

Menem's "magic" lies in his economic reforms, which have been put in place in accordance with modern practice while retaining a type of support more

<sup>4</sup>The plan, which fixes the peso at \$1, prevents the government from printing money to finance a deficit. The plan has drawbacks; it handicaps business with an overvalued currency. Like Hans Tietmeyer of the Bundesbank, Cavallo argues that maintaining the value of money is an almost sacred tenet in a land where several generations have seen their wealth wiped out by hyperinflation and political turmoil.

<sup>5</sup>The provinces are the Achilles' heel of the economic program. They have been slow to privatize, their banks are bankrupt, they provide poor-quality but costly services, their governments employ over half the labor force, and they rely on the central government for their revenues. The federal system of Argentina is such that the central government must regularly bribe the provinces in order to get their political support for the reforms it wishes to institute, but those bribes undermine the reforms. This vicious circle tends to worsen during an election year.

<sup>6</sup>Opinion polls show 60 percent of Argentines (45 percent of them Peronists) think that "things are not going well" in the country; 50 percent worry about losing their jobs.



appropriate to an earlier, populist era. To achieve this, he was ready to leave aside much consideration for the niceties of the law. As he neared the end of the single six-year term of office, neither he nor anyone else knew for sure whether his economic reforms were irreversible or not. Given that uncertainty and his own personal ambition, Menem wanted very much to be reelected, although the constitution forbade it. The October 1993 congressional elections heightened his hopes, because they could produce a different Congress that might be more inclined to change the constitution. The results were mixed enough, however, that they motivated both Menem and the head of the principal opposition party—former President Raúl Alfonsín—to make a pact outside parties and institutions.

Menem wanted reelection by hook or crook. He threatened to resort to extraparliamentary tactics, such as calling a plebiscite on the matter. Alfonsín preferred a portion of power and influence in the immediate present to a more long-range strategy of principled opposition. That pact, sealed in November 1993, made it possible for congress to set in motion the mechanism of constitutional amendment: the election of representatives to a special assembly, and preliminary agreements on the type and scope of amendments.

The elections to the constituent assembly, held in April, 1994, gave Peronists and Radicals the strength they needed to carry out their plans, but revealed—to the surprise of the Peronists and the dismay of the Radicals—the existence of a new center-left coalition, the Broad Front, which swept past the Radical Party to become the second political force in the country. The Front won an easy majority in the city of Buenos Aires and placed one of its leaders, Carlos “Chacho” Alvarez, as a potential rival to Menem in the race for the presidency.

Menem's attempts to do anything he could to be president again created a serious confusion—namely, as to whether his type of leadership would consolidate democracy or whether democracy would be customized for him. The ambiguity goes well beyond the borders of Argentina—it goes to the core of reforms in most of Latin America. Are they primarily an insurance policy for politicians, or do they signal a serious commitment to a different social and political order? Reforms are sometimes invoked as a pretext for curtailing democracy rather than strengthening it. Two overlapping imperatives hang over Argentina, and over many other countries in the region as well. The first is to make sure that reforms are sufficiently immune from the pressures for a premature distribution of dividends, and that democratic alternation of governments does not set the reform clock back. The second is to trust the political craftsmanship to responsible statesmen, and not leave it to the whimsical ways of caudillos within

strange political structures—half populist movements, half modern parties.

Twelve years of democracy in Argentina have not yet produced a mature political system. The two presidential elections that have taken place during this period did put in power the two major parties of modern Argentina. This may have impressed some as the country's final arrival at a modern bipartisan democracy. But such is not the case. Each election was treated more as the triumph of a leader and a movement than as the victory of a party. On both occasions the victor, once in office, entertained fantasies of remaining in office, and succumbed to the temptation to occupy the entire political space. In this Menem has been far more successful than Alfonsín. The November 1993 pact between these two men confirmed three things: the personal success of the president, the dominance of his party over all others, and the propensity of Argentine politicians to make deals at the top, behind the back of a weak civil society. The penalty for the pact was the emergence of a third party—a party of protest, not programs.

### THE SPECTRUM OF PARTIES AND THE SPECTER OF THE PAST

The most important political fact in Argentina is that Peronism has consistently won in national elections—in 1987, 1989, 1991, and 1994. It is likely to win again this year. The initial two-party system has been replaced by a system of three main parties plus other minor ones, in which the Peronist party consistently wins, while the opposition parties fail to coalesce and provide a viable alternative. This is a far cry from the virtual one-party system that Perón instituted in his heyday, or that Mexico's Institutional Revolutionary Party represented until recently. A dominant but not hegemonic party can still be unseated if it succumbs to internal strife and its opponents join forces. This is even more likely when the electoral and constitutional rules are changed to favor the formation of shifting coalitions.

In short, today Peronism is the dominant force in a competitive system. Nevertheless, since in the past Peronism has been a hegemonic political movement, it still tends to behave in the government as if it were an entire political system unto itself. Menem and his entourage believe that it is, and so do the majority of Peronists, whether governors, union leaders, or simple followers. As long as the other parties and coalitions are weak and fractious, this belief is reinforced. But this also means that political conflict, far from ceasing, will explode inside Peronism itself. For an observer, there are two games to watch: the conflicts between the government and its opposition within, as well as conflict with those outside party ranks. The struggles over the control of the Peronist movement and party apparatus may prove more crucial to the future of

Argentina than the avatars of all other parties and coalitions.

Menem and "his way" already face a powerful rival in the figure of his erstwhile vice president and present governor of the province of Buenos Aires, Eduardo Duhalde. Duhalde has positioned himself to be elected to a second term as governor of the nation's most populous province, a post from which he can mobilize funds and organizational resources and revenue to succeed Menem as president in 1999. More immediately, Duhalde may be in a position to deliver or withhold enough votes in the elections in May to decide whether Menem wins reelection in the first round of voting or faces a more perilous runoff against a coalition of opposing parties. The implications of the challenge from Duhalde's for the continuity of economic policy are already being felt. Finance Minister Cavallo—a crucial guarantor of "Menem's way"—has hinted darkly that he may be forced to leave by his enemies inside Peronism, whom he deems more formidable than his enemies in the other parties. This situation should be followed with concern, because of Peronism's poor record in peacefully solving its internal disputes.

As for the opposition parties, they too face a dilemma. They are too heterogeneous to form a solid front against the government—especially while it has access to the superior resources that go with being in power and still basks in the glow of its economic achievements. Yet, if the opposition parties go it alone as independent actors with their own agendas, their prospects for immediate electoral success are dim. As a result, they are tempted to choose a third way, which is to use whatever portion of power will accrue to them under the new constitution to alter the course of government policy.

In the November primaries, Radicals elected Horacio Massaccesi, governor of Rio Negro province, as their presidential candidate. Massaccesi is close to the Radical old guard, and is more prone to compromising with than challenging President Menem. This, plus the fact that only 30 percent of registered Radicals voted in

the primaries, suggests that many party members may cast ballots in the national elections for other parties, and that some will vote for Menem. As for the Broad Front, which has outstripped the once-popular Radicals, it has not yet decided which of its two former Peronist leaders will be its candidate. (The Front is heterogeneous: one-third of its support comes from Peronists, one-third from the Radical Party, and one-third from a mixture of old and new voters on the left.)

The Front has many votes but no organization. If it gained the presidency, it would have to function without the support of congress or the provincial legislatures. Instability and ungovernability would haunt such a government. Radicals, Frontists, and anti-Menem Peronists have challenged the present government's policies. None have produced credible alternatives. Yet in the stridency of opposition, all have revived the themes of old-time Peronism. During his first term in office Menem managed to move the country away from that dangerous syndrome. If and when reelected, he will have a harder time. Yet if he is returned to office, it will not be easier for any of his opponents to pursue rational policies.

The net result of current political forces and pressures is likely to be the reelection of Menem to a second, final, and shorter presidential term in which policy consistency will be sacrificed to constant negotiations along multiple fronts. Such will be the price of reelection: the president will probably be rewarded with a second term in office, but one without the peace and *carte blanche* he has hitherto enjoyed. If Menem is reelected, he will lead a nation that is growing weary of the human costs of economic reform. He will head a government riddled by corruption but not especially motivated to clean house. And he will preside over a party in turmoil over his reaccession and prone to reactivate its ever latent irrationality. Argentina is midway on its course toward mature democracy and sustainable economic growth. The months that follow this May will tell whether its famously plethoric glass is half empty or half full. ■

"The mission that lies ahead will not be easy even for such a polished diplomat, refined intellectual, skilled politician, polyglot, and persuasive and glamorous man as Fernando Henrique Cardoso. . . . Many believe he is the last chance for Brazil to overcome its tremendous problems and become the nation everyone has been anticipating for so long: developed, modern, rich, and fair."

## Plato in the Tropics: The Brazilian Republic of Guardians

BY CARLOS EDUARDO LINS DA SILVA

At the dawn of the third millennium after Christ, a representation of the ideal state Plato described in *The Republic* will be put to the test in Brazil, the largest and richest country in Latin America. Plato envisaged a utopia ruled by intellectuals who had arrived at wisdom through methodical training of their rational faculties and rigorous pursuit of the Good and the True. These men, the Guardians, would be educated as philosophers, and then take an active part in the life of their times so that at age 50 they could assume political power with practical knowledge of the matters that would be their concern. Plato's prescription for the rulers of a state roughly applies to most current Brazilian leaders, starting with the president elected October 3, sociologist Fernando Henrique Cardoso, and the ministers closest to him.

Brazil is now governed by arguably the most academically qualified person to serve as the chief executive of any country, with the disputable exceptions of Thomas Jefferson in the United States and Domingo Sarmiento in Argentina—though the academic world has changed so much in the last two centuries that it is hardly fair to make such a comparison.

Jefferson was more a dilettante than a man who earned his living teaching or writing. He read the classics in their original Greek and Latin, and studied science, mathematics, rhetoric, philosophy, and literature at the College of William and Mary at a time when tutors guided the spiritual lives of their pupils. Some of these youths, Jefferson among them, spent up to 15 hours a day at their books. Jefferson set up as a lawyer in Virginia when he was 24, and two years later began dividing his time among his legal cases, his work as a

political activist, and his passion for the arts and sciences—the last particularly during his final years, when he founded and presided over the University of Virginia.

Sarmiento, the first Argentine civilian president, was mostly self-taught. He became a schoolteacher at 15 and soon entered public life. Fleeing to Chile because of his political views, he found time to build on his natural abilities and become a true intellectual. Before returning to Argentina and assuming the presidency, Sarmiento worked as a journalist, founded and directed the first normal school in South America, and traveled extensively in the United States and Canada. He also wrote one of the most influential books ever published in Spanish America, *Facundo*, a study of a tyrannical "gaucho" that was the first—and for many, remains the best—anthropological description of this South American social type.

Cardoso's case is quite different from Jefferson's and Sarmiento's. The new Brazilian president is a professional intellectual in the contemporary meaning of the word; not the "humanist" of the sixteenth century or the "philosopher" of the eighteenth and nineteenth, but someone who contributes to the production, confirmation, and dissemination of values, or what might be called "world visions," in his or her society.

One can argue that Vaclav Havel, the playwright who in 1989 became the first noncommunist president of Czechoslovakia, and in 1993 the first president of the new Czech Republic, also fits this definition. But Havel's work is in the arts—where, according to Plato, the dominant force is the spiritual as opposed to the rational element that rules in the intellectual realm—rather than the social sciences, and the political posts to which he has been elected to are largely ceremonial. In Cardoso's case, his profession is concerned with "knowledge" rather than the feelings or emotions artists mine as part of their raw material. And in Brazil the presidency is the core of power in the country, an

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institution even more imperial than its counterpart in the United States (perhaps because of the Brazilian experience, unique in the Americas, of 67 years of monarchy).

### THE STRANGE PATH TO THE TOP

Having Fernando Henrique Cardoso as president is for Brazilians more or less what it would have been for Americans if Richard Barnett or Michael Harrington had become president of the United States. The president, widely recognized as one of the foremost sociologists of our time, has spent most of his life as a university professor and a social researcher. He now faces the challenge of putting into practice what he has prescribed for so long. The job is enormous: Brazil is one of the five largest countries in the world, has one of the 12 largest economies, and is one of the most unequal societies in existence (according to the World Bank, the income of the richest 20 percent of Brazilians is 26 times that of the poorest 20 percent; in the United States the ratio is 9 to 1, and in India, 5 to 1).

Cardoso, who is 63, entered the political arena more than 20 years ago, already well known in Brazil and abroad as one of the brightest sociologists of his generation. He helped formulate the program of the Brazilian Democratic Movement (MDB), the sole opposition party during the first years of the military regime. In 1964 he was obliged to interrupt his professional life and leave his post as a professor at the University of São Paulo when the military regime stripped him of his political rights because of his discipline's Marxist approach.

Forced into exile, Cardoso lived in Chile and France. There he formulated his "dependency theory," first described with his coauthor Enzo Falletto in *Dependency and Development in Latin America*, considered the most influential work of South American social science to come out of the 1960s. The book's basic contention is that a dependent country is not fated to stagnate, but can grow despite its dependence.

Later, Cardoso taught at Nanterre, appointed by Alain Touraine, and at the College de France, where he was appointed by Michel Foucault. He was also a visiting professor at several Ivy League schools in the United States. Returning to Brazil after five years abroad but still forbidden to teach, he founded a social science research center, Cebrap, funded mainly by Ford Foundation grants. In more as an act of protest than with any real expectation of winning, Cardoso registered in 1978 as a candidate for the Senate in a subdivision of the MDB, still the only authorized opposition party. He was soundly defeated, but the electoral law at the time made him the alternate of the victor, Franco Montoro, because he finished second among the party's candidates. When Montoro became governor of São Paulo in 1982, Cardoso took over his seat. He ran for mayor of São Paulo in 1985, losing to

former president Jânio Quadros. In 1986 he was reelected as a senator from São Paulo state.

In 1988 Cardoso and others left the renamed MDB at the end of military rule and founded the Brazilian Social Democratic Party (PSDB). In 1993 he was appointed foreign minister by President Itamar Franco. Franco, who had taken over the presidency after Fernando Collor de Mello was forced to resign just before an impeachment vote by the Senate, was Collor's estranged vice president and was seeking any kind of political support that might render his government viable. Cardoso's new party was eager to help. Cardoso's performance in cabinet meetings also made a strong impression on the president. A few months into the government, Cardoso was a natural for Franco to appoint to the vacant post of finance minister—whose occupant in recent years has come to be an informal head of the cabinet. As the most prominent figure on the Brazilian political scene, his party selected him as its presidential candidate with the full support of Franco's government.

Cardoso won the election for very specific reasons. Although he would probably be an excellent pick for the job at any time, he had never been tested as an executive and it is difficult to believe that under normal circumstances he would have received 53 percent of the vote, as he did October 3. This election was held almost 10 years after the end of two decades of military rule. The first civilian president, Tancredo Neves, had fallen ill on the eve of his inauguration and died before taking office. His replacement, José Sarney, was hardly the Brazilian people's choice for a successor; a former supporter of the military, he lacked legitimacy and his term was a succession of failures.

Then came Fernando Collor de Mello, the first president in 29 years elected by the vote of the people. A cynical playboy, Collor tried to rule the country with almost no support from Congress and with a cabinet full of arrogant amateurs. When his first projects failed and his own brother charged him with corruption, Collor attempted to open up his government to experienced politicians. But it was too late. Collor's replacement, Franco, like Sarney before him, lacked the support of the electors; they had chosen Collor, not Franco, as president. Erratic, insecure, at times bizarre, Franco, too, was a bitter disappointment for the country.

### THE REAL PLAN

Brazilians looked for two main things in a president when they went to the polls in October: honesty and the ability to curb inflation. Between 1960 and 1994, prices in Brazil rose by a factor of 22 billion. During the same period the country had seven different currencies—five in the last eight years alone. In economic terms, the decade of the 1980s was lost, as has been

the beginning of the 1990s: per capita GDP is what it was in 1980, the last year of the “economic miracle.”

Last April, while serving as finance minister, Cardoso launched the Real Plan, a mechanism to end the inflationary spiral. As have others in the recent past, he succeeded in the short term. Inflation declined from 50 percent a month to between 2 percent and 3 percent. When the plan went into effect, the Workers Party (PT) candidate for president, Luís Inácio “Lula” da Silva, a former lathe operator allied with Marxist ideologues and other left-wing leaders, was the frontrunner by a wide margin (with 42 percent support in public opinion polls in May). But the business community and other conservative sectors regarded da Silva as tantamount to the Antichrist. They would back to the hilt anyone who could defeat him, and Cardoso happily stepped into the role of “the only candidate who can stop Lula.”

Circumstances combined to produce early positive results for the Real Plan. Congress did not approve a budget in 1994, which meant President Franco could act unfettered to limit spending and thus contain inflation—and in so doing, help his candidate. The private sector also kept down prices and rates because businesspeople wanted above else for da Silva to lose the election. The government backed the new currency with its vast resources. Moreover, the plan itself was extremely well conceived, the product of a team of economists who are longtime friends and colleagues of Cardoso, and who have learned from the experience of previous anti-inflation strategies in Brazil.

The Real Plan was the greatest asset of Cardoso’s presidential campaign, and the plan’s timing was designed to give him a boost at the polls. It was not launched so early that by election day it might be suffering from the same pressures that had destroyed past attempts to tame inflation; nor was it implemented so late that the candidate would not get the credit for it. (Brazilian electoral law requires that presidential candidates resign posts they hold in the executive branch as early as six months before the election.)

But the Real Plan was not Cardoso’s only electoral weapon. Almost as important was the creation of a broad political alliance. Before the election the alliance was made up of Cardoso’s party, the social democratic PSDB; the conservative Liberal Front Party (PFL); and the opportunistic Labor Party PTB. It also included important leaders of the centrist Brazilian Democratic Movement Party (PMDB), which had the most seats in Congress. The vice presidential candidate was Marco Maciel from the PFL, a politician who had faithfully served the military regime. His presence on the ticket assured Cardoso a large number of votes in northeast Brazil, since his party maintains a network of highly effective local bosses there. Now that Cardoso has gained the presidency, the alliance has expanded

greatly. It almost spans the ideological spectrum, from social democrats who have flirted with Marxism—like the president himself—to the leading representatives of the most reactionary oligarchies in Brazil.

During the presidential campaign, the government also placed all its machinery at the disposal of the Cardoso team—and that is not small business in Brazil. The mass media strongly and unanimously backed Cardoso over da Silva, led by the mighty Globo TV network, which has an average audience share of around 70 percent of viewers. (Globo’s owner, Roberto Marinho, a 90-year-old but still active entrepreneur, is a national personality whose birthday parties are usually attended by the acting president and most of the ministers and state governors.)

These arrangements were very much responsible for Cardoso’s victory by a greater than 2-to-1 margin in the October 3 election, and for the majority in Congress that the new president could count on, at least in the beginning. This majority would have been unattainable had Cardoso stuck to his own party or to those political groups with which he might have ideological affinities. But now that he is in power, this amalgam may hinder him unless he demonstrates an extraordinary capacity to conciliate opposing interests and make his will prevail. Cardoso used to compare himself to Juscelino Kubitschek, the last Brazilian president loved by his people and who is credited with launching the modern development of the country in the late 1950s and early 1960s. He will do better to study how Getúlio Vargas reconciled the many antagonistic interests in his two governments (1930–1945 and 1951–1954). Interestingly, Vargas’s support was based in two parties he created that resemble the present-day PFL and Cardoso’s PSDB.

None of this detracts from the legitimacy of Cardoso’s victory. Cardoso was the choice of 53 percent of voters who cast valid ballots, more than double the figure for da Silva, his leading competitor. However—and this has hardly been mentioned by the Brazilian press or its political analysts—64 percent of registered voters rejected him. In fact, 33 percent preferred to abstain (in a country where voting is mandatory) or to cast blank or invalid ballots, and the remaining 31 percent opted for other candidates.

The election was mainly clean, though any government intervention on behalf of a candidate is forbidden by law and there is no doubt that Franco and his team did almost anything they could to help elect Cardoso. A month before the big day, Cardoso’s replacement as finance minister, the up to then highly respected diplomat Rubens Ricúpero, was caught in an off-the-record conversation with a television journalist moments before going on the air. Ricúpero candidly acknowledged he was manipulating inflation statistics to support Cardoso, saying: “I have no scruples; if the figures are good, we exploit them, if they are bad, we

hide them." Not even this unusual confession, later broadcast to the entire country and printed in all the newspapers, sufficed to convince the electorate not to vote for Cardoso. Most people did not grasp the implications of Rícúpero's admission, and others did not care, considering the incident a peccadillo.

Cardoso also made a surprisingly good candidate, managing to communicate with voters in a folksy manner that nevertheless carried the natural authority of a professor. He ended the campaign respected by all his competitors (including da Silva), widely regarded as an honest man and a capable leader.

### CONSTRUCTING THE JUST REPUBLIC

The task that lies ahead will demand the best of Cardoso's intellectual powers and political skills. The Real Plan is nothing but an economic stabilization ploy, and it must be reinforced by immediate structural reforms if it is to find a better fate than its predecessors. The Cruzado Plan, for example, was also very successful during the months before the general election of 1986, but after the Sarney government's victory the inflation rate skyrocketed.

Brazil needs radical fiscal reform, and nobody will be able to implement it without hurting powerful interests, among them many that supported Cardoso. The country will not overcome its social problems without a redistribution of wealth. The budget must be balanced but government cannot default as the main provider of social benefits for the millions of poor citizens. On the contrary, the federal government needs to enlarge its programs in education, public health, and social security, to diminish the huge gap in Brazil between the very few rich and the vast majority of dispossessed. The 1988 constitution will require change so these goals can be achieved by any government. State-owned companies and the state itself must trim their bureaucracies and otherwise become more efficient. Privatization must be accelerated. Government has to offer the people proof of such change to regain their trust. Though much progress has been made, openness to global trade requires new and bolder steps to erase the advantage obtained by some of Brazil's neighbors in the race for scarce international capital.

At least Cardoso will be able to rely on a majority in Congress. The PMDB, PFL, and the president's own PSDB are the three largest parties in the country. Cardoso has even made incursions into the far-right Liberal Popular Party and da Silva's far-left Workers Party by naming one respected militant from each to his cabinet.

The mission that lies ahead will not be easy even for such a polished diplomat, refined intellectual, skilled politician, and persuasive and glamorous man as Fernando Henrique Cardoso. The president will have only four years to carry it out. Many believe he is the last chance for Brazil to overcome its tremendous problems and become the nation everyone has long

been anticipating: developed, modern, rich, and fair. New frustration with the government in the next four years will take a serious toll on the national will and on the economy, and may put at risk the advances already achieved in the political process.

The first words of Cardoso's program of action read: "Brazil is not an underdeveloped country; it is an unjust country." Again, one may be reminded of Plato's *Republic*, which begins with the questions "What is justice?" and "What kind of state would be the most just?" Cardoso's career as an academician and a politician demonstrates an unequivocal and coherent concern with the question of fairness in Brazilian society. It is almost inconceivable that once in power he will delude the millions of poor people who constitute the overwhelming majority of the population—if for no other reason than because it would damage him so politically. Not even his current partners will want to pay the price that will be charged against their government if no concrete gesture is attempted to mitigate their condition after a slew of insensitive governments.

Although Cardoso has consistently denied saying it, the phrase, "From now on, forget everything I wrote," has been attributed to him since his appointment as finance minister. Those acquainted with Cardoso know that if he did not actually say it, he could well have. As many commentators have argued, the statement is not as scandalous or cynical as it may sound at first. Any intellectual who has had to practice *realpolitik* knows that the concrete problems confronting him or her become even more complicated if required to make decisions consistent with everything he or she has published on the subject. Cardoso may never have voiced it, but he would almost certainly like to tell the "ideological patrols" digging around in books he wrote 30 years ago to point up contradictions with what he is doing today: "C'mon, don't make my job an even bigger hell just because of the theoretical ideas I had in the Sixties." This does not mean, though, that he should abandon the main thrust of his political thoughts and actions throughout his life now that he has attained the presidency. To be fair, he has never given any indication that he would do so.

However, history in Brazil teaches some clear lessons about the behavior of liberals in power. At least since the days of the monarchy, Brazilians have been saying that there is nothing more like a conservative than a liberal in power. In an article in the November 24 *London Review of Books*, Perry Anderson, referring to the PSDB-PFL alliance, says that "the dark side of Brazilian conviviality is the ease with which instrumental calculation becomes sentimental affinity, binding opposites together in subtler and more durable forms of union. Which side tends to transform which. . . is



not difficult to guess. Historically, Brazilian conservatism has been uniquely ductile in its capacity to embrace and disarm risks to the status quo."

For Cardoso to succeed as an agent of transformation in Brazil, even as a modest one, he will have to overcome the dangers of the unanimous approval that seems to engulf him at his government's inception. Some strong opposition must remain in Congress and the wider political arena to push him toward the urgently needed reforms to ensure more justice for all. The role of the Workers Party and its leader, Lula da Silva, is crucial. Da Silva also exited the polls respected by his competitors (including Cardoso) and generally viewed by the public as a respectable and trustworthy actor in the political life of Brazil. He and his party cannot adhere to the government merely because of the government's success.

The other segment of society that has to resist the temptation to jump on Cardoso's bandwagon is the intellectual community. It is the Guardians' duty, Plato said, to rule the ideal society and also serve as its advisers. Luiz Felipe de Alencastro, a respected historian, is among the few distinguished scholars in Brazil who have been warning that the universal praise from academia for the new president "is a very bad signal of what comes ahead." Alencastro, who presently heads Cebrap, the social research center founded by Cardoso, says in an article in the December 4 issue of *Folha de São Paulo*: "For the first time, we have a president who is also an intellectual. . . . Because of this fact, it would be very important for him if he knew that there is and will continue to be critical thought surrounding him. . . . The problem is that besides Fernando Henrique there is also a field of democratic intellectuals and so far they have been very much remiss. . . . It looks as if Fernando Henrique is the only intellectual left in the PSDB. All the others seem to have abdicated, and are lining up as a bloc behind him, no matter what he does or does not do. There are 25 factions of sycophants around Fernando, and they want us to believe he has already solved every contradiction of his alliances and has the key for all Brazil's problems, just because of his résumé."

One could expect that some of the criticism Cardoso has weathered has come from his own home. His wife, Ruth, an anthropologist, is also among the leading intellectuals of her generation. Journalist Otavio Frias Filho has written, "Brazil may not have elected Jean-Paul Sartre as its president but surely got Simone de Beauvoir as first lady." Ruth Cardoso, probably because she has never run for or held public office, has remained much more faithful than her husband to the couple's youth ideals, and she has a sufficiently strong will to make hers a voice the president will not be able to avoid hearing in moments of crisis. Ruth Cardoso will no doubt have in Brazil a role at least as great as Eleanor Roosevelt's in the United States.

The difficulties Cardoso and his successors will have to deal with are too complex for magical solutions, and Cardoso himself has been repeating this over and over since he became finance minister. No one can still believe in development projects as they were conceived in the 1950s and 1960s. As some have been saying, "The market-oriented society is not for everybody." The Brazilian economy has been growing without generating new jobs. The official—underestimated—unemployment rate in the country is 22 percent, and it was not affected by the 5 percent increase in GNP in 1994. As literary critic Roberto Schwarz told an audience at Yale University last April, "In Brazil we are at risk of repeating the disaster of abolition, when the masters modernized themselves, got rid of their slaves, and abandoned them to their own fortune. . . . The time when the idea that incorporating them into the economy was an imperative is over."

If Cardoso allows the Brazilian elite to be convinced by the logic denounced by Schwarz, the experiment of a Brazilian Platonic republic will have failed. The president cannot afford this. Neither can the nation. Brazilians are fortunate to have had the extremely rare opportunity of being able to choose a man so well prepared to lead them into the twenty-first century. Cardoso has the personal gifts to succeed, and the political, social, and economic conditions are right. Let us hope Plato was correct in saying that intellectuals are the best possible rulers for a just society. ■

Since independence in 1975, Suriname has traversed a treacherous path in and out of democracy. The current political landscape finds the country's former military ruler waiting to "rescue" Suriname again—albeit democratically. "Washington and the Hague will not be happy dealing with a President Désiré Bouterse. But democracy is like that."

## Suriname: The Nation Against the State

BY GARY BRANA-SHUTE

Suriname, a former Dutch colony located on what the Europeans used to call the "wild coast" of northeast South America, is an immensely complicated country. In an area about the size of the state of Georgia, a population of roughly 400,000 is deeply cleft by divisions between Afro-Creoles, East Indians, Javanese from Indonesia, Europeans, Chinese, Lebanese, five groups of Maroons (descended from eighteenth-century rebel slaves), and five Amerindian groups. Although a sharp class structure has always been evident, particularly in the Creole and East Indian communities, everything from where one drinks rum to the political party one supports and the patronage one can subsequently hope for is determined by ethnic affiliation. This has led to Suriname's inability to form what could reasonably be called a modern state, and to the inability of the state structure that does exist to serve its people. The net result of 20 years of independence has been political and economic failure.<sup>1</sup>

Remnants of the armed insurgencies of the 1980s roam the interior, engaging in freelance banditry, while officers and enlisted men loyal to former army commander Désiré Bouterse defy President Ronald Venetiaan and military leaders. The government is unwilling to shoulder the political and social costs an IMF economic structural adjustment program would entail, and so remains ineligible for the restitution of Dutch development funds (suspended since 1982) and loans from international donor agencies. Hyperinflation and black market-driven devaluation of the Suriname gul-

der have turned most people into paupers and beggars, while those with access to foreign exchange live well. Gold strikes have led to the virtual autonomy of Maroon and Amerindian regions along the Maroni, Tapanahoni, and Lawa Rivers in eastern Suriname, where the inhabitants see no reason to pay attention to officials in Paramaribo. And then there are the usual—quite credible—accusations that members of the government and the business community aid the transshipment of narcotics. How does one explain this postindependence path?

### THE RAISING OF REBELS

Suriname's colonial history mirrors that of the island Caribbean insofar as a European imperium established a plantation economy based on African slave labor. In Dutch Suriname this system, which produced sugar, indigo, and wood, was in full swing by the 1670s. A distinguishing feature was the emergence of a free Maroon, or rebel slave, community in the jungle interior more than a century before the abolition of slavery in 1863. Contract laborers from British India, the Dutch East Indies, China, Madeira, and, later, Syria were brought in after abolition, and they and their descendants defined the country's highly plural character.

In the 1920s, American capital and technology transformed the plantation economy. Lured by the country's immense bauxite deposits, American business built processing plants for alumina and aluminum—an enterprise that accounts for upward of 70 percent of export earnings today and nearly half of tax revenues. (Suriname's current GDP stands at somewhat less than \$1 billion, inflation was 300 percent in 1993, the government's spending is double its revenues, imports exceed exports, and the economy is characterized by high unemployment, black market activity, hard currency shortfalls, and corruption.)

Except for Maroons and Amerindians, most Surinamese live along the alluvial coastal plain, with fully two-thirds concentrated in and around the capital city of Paramaribo. Before the 1980s urban Suriname's

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<sup>1</sup> For an introduction to the country and a bibliographic essay on materials available in English, see Gary Brana-Shute, ed., *Resistance and Rebellion in Suriname* (Williamsburg, Va.: Studies in Third World Societies, College of William and Mary, 1990).

infrastructure was superlative, with premier hospitals, schools, roadways, and sanitation, but these have all deteriorated.

Beyond the coastal plain and savanna, and covering 80 percent of the country, lies the Amazonian rainforest, which is rich in resources but thinly populated. Throughout Suriname's history the interior and its people have received no attention beyond that connected with their economic exploitation or—in the case of Christian missionaries—the harvesting of their souls.

## **THE SURINAMESE WAY: REVOLUTION, DEMOCRACY, COUPS**

Until the late 1960s power was always shared—albeit unwillingly—by the main Creole party, the Suriname National Party (NPS), and the United Reform Party (VHP), with its support among ethnic East Indians, through a system of vertical patronage within the rival parties. The diagnostic of good political health was a government made up of both parties, in coalition or alliance, with support rendered by the smaller, Javanese-based Party for Unity and Harmony (KTPH).

The East Indians were reluctant to support independence for Suriname. Discussion of the idea and then the reality of independence caused a mass migration of people from all ethnic groups to the Netherlands; today as many Surinamese live there as in Suriname. The elections of 1977, the first after independence, polarized the country even more sharply. A Creole-dominated government swept to power trumpeting an economic development plan premised on the hefty “golden handshake” that the Dutch departed with (but later canceled after paying out about half the promised amount). Parliament became gridlocked in 1979, ethnic tension grew, and politics degenerated into a shouting match.

Simultaneously, the embryonic Suriname military underwent internal transformation. The relatively professionalized noncommissioned officers corps wanted increased pay and recognition and demanded representation through a labor union. Ignored by the government, the situation came to a head when 15 NCOs and one junior officer launched a lightning coup in February 1980. The government fell apart without a whimper and the people welcomed “the boys” as relief from and an antidote to the do-nothing civilians.

After several months of maneuvering by left-leaning officers and so-called moderates, the strongman who would rule and intimidate Suriname for a decade, Sergeant Major Désiré Bouterse, emerged from the ranks. A moderate socialist government headed by President Henk Chin A Sen was put in place. The radical left-wing parties, which had never had a following in Suriname, saw their opportunity and attempted to cultivate Bouterse, whom they thought of as politically naive. But Bouterse, now styling himself a lieutenant

colonel, quickly learned to manipulate his leftist supporters and encouraged them at mass rallies while at the same time building an armed forces and organizing a militia and local groups loyal only to him.

Chin A Sen's call for immediate elections resulted in his forced resignation in early 1982. The “revolution” was on. Needing allies, Bouterse turned to the far left, incorporating two communist parties into ruling circles while simultaneously courting Grenada's Maurice Bishop, Cuba's Fidel Castro, Nicaragua's Daniel Ortega and—when down his luck—Libya's Muammar Qaddafi. On December 8, 1982, he and his lieutenants rounded up 15 citizens active in a nascent redemocratization movement and murdered them. The Netherlands responded by shutting down its huge aid program. One civilian puppet government followed another, attempting to revive the failing economy and resolve labor strikes. The United States and Brazil applied covert and overt pressure on the regime, especially when it came to Cuban influence, which was especially strong in the early 1980s.

By late 1984 it became clear that Suriname could not be governed without the support of the old ethnic parties. Revolutionary rhetoric had failed to rally the nation—only about 10 percent of the people had chosen to participate in Bouterse's revolutionary organizations—and the only way the military and its allied political party, the National Democratic Party NDP, could maintain their position was to work with the parties Bouterse had banned. Quiet negotiations began, and it became clear that civilians and military alike were willing to compromise.

The year 1986 would be eventful on two fronts: in the city, where the old leaders of the NPS, VHP, and KTPH had created a Supreme Council and together formulated a return to constitutional governance, with elections to be held the following year; and in the vast interior of Suriname, where Ronnie Brunswijk, a young Ndjuka Maroon and former bodyguard for Bouterse, launched his “Jungle Commando” insurgency against the military.

A new constitution was drawn up and approved in a referendum in September 1987. Included in the document were two articles defining the armed forces as the defender of the national patrimony and permitting their intervention in domestic politics to defend the “revolution.” The establishment of local government structures—that have since proved ineffective if not completely nonfunctional—was another concession to revolutionary grassroots mobilization.

While this give-and-take was going on in Paramaribo, Brunswijk and his force of perhaps 300 poorly armed irregulars, aided by groups in the Netherlands opposed to Bouterse, denounced the military and called for a return to democracy through free elections. Brunswijk did not attract widespread support among Maroons in the interior, and never succeeded in



establishing urban cadres along the coast. Nevertheless, he and his fighters shut down one-third of the country, crippled the economy, and caused the military to move toward elections to secure their civilian-urban flank.

Maroon hit-and-run attacks resulted in flagrant military reprisals against civilians. By late 1987 nearly 10,000 Maroon refugees had fled to neighboring French Guiana. The military was unable to effectively fight the insurgents while the Jungle Commando was unable to hold territory. Only by the early 1990s, with a semblance of a peace treaty brokered by the Organization of American States in place, did skirmishes diminish and some refugees begin to return.

Still, the revival of the alliance between the VHP, NPS, and KIPi gave the electorate hope that the squabbling politicians had learned their lesson and would return the country to a modicum of order and prosperity. Several smaller parties joined in the electioneering, including the civilian party arm of the military, and polling was scheduled for November 25, 1987. The run-up was enthusiastic and charged with hope. More than 90 percent of eligible voters went to the polls, and in a dramatic validation of the old ethnic politics the three-party Front took 40 of the 51 seats in the National Assembly. (The coalition would have won even more if it could have campaigned in the war-torn interior.) The two icons of politics past returned to power as Henk Arron of the NPS became prime minister and Jaggernath Lachmon of the VHP became speaker of the National Assembly. A figurehead president, Ramsewak Shankar, ruled over this house of cards, which would soon collapse.

The Front government confronted formidable challenges. The economic crisis, for one, had to be resolved. The restoration of Dutch development funds became the foundation, indeed, the obsession, of foreign policy—and remains so today. Every attempt at peace talks with the Jungle Commando stalled, derailed by the military, which continued throughout the 1980s to be the power behind the scenes. In fact, to strengthen its hand and apply pressure on the civilian government and the Jungle Commando, the military sponsored, armed, and financed counterinsurgencies in the interior, the two most effective among them the Tukuyana Amazonas, a Carib Indian group in west Suriname, and the Mandela Commando among the Matawai Maroons of west-central Suriname.

Out of money, riddled with ethnic betrayals, intimidated by the military (the government never did remove the two offending articles on the military from the constitution), and beset by warring gangs in the interior, the Front collapsed in 1990 when a Christmas Eve telephone call from the military dismissed the

government. The decade in Suriname had opened and closed with coups and the failure of consociational politics.

## A WHOLE NEW GAME

After the coup an interim government appointed by Bouterse and approved by an intimidated rump parliament was installed, headed by a powerless and senile septuagenarian, Johannes Kraag. The vice president and prime minister was the ambitious, tough, and smart Jules Wijdenbosch of the NDP, who had headed a military-appointed government in the mid-1980s and whose party was essentially allied with the military command. The coupmeisters promised new elections in six months, confident that they would perform well. The Front prepared for the voting merely by retitling itself the New Front and bringing a small labor party into the fold.

For its nine months in office, from January to September 1991, the treasury-controlling NDP concentrated on building and enriching grassroots organizations in the countryside and urban ghettos. The party hacks and younger, multiethnic, and well-educated technocrats tinkered with spreadsheets, passed out favors, and concentrated on younger, poorer voters who were fed up with the impotent old-timers of the Front and saw no future for themselves in a new party, Democratic Alternative '91.

The New Front relied on the traditional salt fish and rum campaigning, but the crowds no longer turned out and the cheers no longer resonated. Suriname had changed, and the best proof of this was Democratic Alternative '91, which was based on class interests and ideology rather than ethnicity. The party represented the middle class and business sectors and was made up of Creoles, East Indians, Javanese, and Maroons.<sup>2</sup>

In the past, Suriname's elections had been less exercises of choice than national rituals whose outcomes were foregone conclusions. Not so now, as voters could choose from three major parties with distinctive ideas about how to run the country: the old-timers of the New Front; a middle-class, free enterprise party; and the left-wing, statist militarists. The country had shifted politically toward the younger and more urbane—not to mention frustrated—with a new generation of politicians educated outside the country.

The New Front won a majority in the elections, with 30 of the 51 seats, well down from the 41 it won in 1987. The NDP scored big with 12 seats, up from 3. And Democratic Alternative '91 won 9 seats in its first run at the polls. Elections for the more than 800 seats on district councils yielded similar shares for the various parties. Because the president must be elected by a two-thirds majority in the National Assembly—and the New Front was four seats short and unwilling to negotiate for cross-aisle cooperation—these district-

<sup>2</sup>The Javanese party, the Pendawalima, which won 2 seats in parliament, later broke with Democratic Alternative '91.

level seats became crucial. Failing a two-thirds vote in the Assembly, the constitution allows for the president to be elected by a simple majority of district council members. In September 1991, district council members met and cast 645 votes for Ronald Venitiaan, head of the Creole NPS faction of the New Front. Once again the same old faces appeared in the cabinet, with ministries carefully assigned on the basis of ethnicity. But the New Front's unexpectedly poor performance set off a round of internal bickering over cabinet and sub-cabinet-level positions that left the coalition barely maintaining the pretense of unity. The two runner-up parties settled back to watch the New Front self-destruct.

## PROGNOSTICATIONS

President Venitiaan's government faces three broad and interconnected tasks. First is the economic reform and structural adjustment necessary to reacquire Dutch foreign aid and establish eligibility for international credit. Next is thorough reform of the armed forces, including a reduction in size. Finally, the interior of the country needs redevelopment and redemocratization after the years of neglect and civil war, and the application and consolidation of the OAS-brokered peace process. Progress thus far in these three areas has been minimal.

Five armed groups—the Jungle Commando, the Tukuyana Amazonas, the Mandela, the Angulla, and the Koffiemaka—still have not been effectively disarmed. These movements are unusual because the fighters have an economic objective rather than a political one: to broaden their participation in the economic exploitation of the interior, particularly in gold and timber concessions. Their dissatisfaction is more with the distribution of national wealth, which is concentrated in the urban coastal region, than with the political system.

Peace attempts, sabotaged by the military, had met with failure. With OAS involvement, Venitiaan established a peace commission and in August 1992 signed an "Agreement for National Reconciliation and Development." First on this document's 14-point agenda is amnesty for all parties, including the military, for acts committed since 1985. The agreement stipulated that the armed groups are to demobilize and disarm, but there is still an ample supply of automatic weapons throughout the interior and there are regular reports of

banditry. In mid-1994, for example, a group of armed fighters seized hostages and threatened to blow up a dam that provides power for the bauxite-smelting enterprise and the capital. Also, under the agreement the interior is to have top priority for development funds for the rebuilding of medical, police, educational, and transportation infrastructure.<sup>3</sup> A study of land tenure rights and tribal lands is under way but not yet complete. A Council for the Redevelopment of the Interior that includes representatives from all the groups of the interior, along with government delegates, has been convened.

Increasingly, the people living in the interior are turning to their own resources, particularly gold, and ignoring Paramaribo as Paramaribo has ignored them. Gold is sold to the French for francs, and less commonly in Paramaribo for the virtually worthless guilder. Children have no interest in attending school, since lucrative jobs can be had with their relatives in the gold fields. Granman Gazon, chief of the Ndjuka Maroon nation, told the author in October that he is fed up with the central government and that his people are doing quite well on their own, trading with France. The institutions of the state barely control the city and coast, and are virtually absent from the bush.

Venitiaan's government has had more success in reforming the military, but this is due not so much to the president's power as to the military's realization that it can consolidate its strength more effectively through politics than coups. Bouterse, coming under international pressure, was forced to resign as commander of the armed forces after making inflammatory remarks about the Venitiaan government in late 1992. On returning to civilian life he immediately became leader of the NDP, and he has every intention of running for president. His replacement as commander is Colonel Arthy Gorre, a former colleague. Several members of Bouterse's military inner circle resigned, but others remain in high positions and regularly direct threatening remarks at the civilian leadership. Rumors of coups surface periodically.

The army has been cut from 4,000 troops to about 1,800. Yet the smaller force is underpaid and under-equipped, and frustrated when it remembers the flush days under Bouterse. It is estimated that a third of the army remains loyal to Bouterse and his still serving officers, a third are loyal to the president, and another third are neutral, waiting to see who serves their interests best. One positive sign for democracy and stability is the reemergence of the police force, now supplied with weapons, uniforms, vehicles, and training. The police, however, are woefully underpaid, and corruption is in the Paramaribo air.

Venitiaan has temporized for three years on restructuring the economy and implementing the structural adjustment plan recommended by the International

<sup>3</sup>In October 1994 the author made a river trip from Albina up the Maroni to the Lawa and Tapanahoni Rivers on the border with French Guiana, stopping at numerous Maroon and Amerindian villages along the way. No reconstruction had taken place; schools were shut and rotting, clinics were closed, the few electrical generators there were broken, and the police presence was limited to one post on Stoelmans Eiland, where the police officers were outnumbered and outgunned by the military.

Monetary Fund. This is no surprise, since the essence of governance in Suriname is state patronage to clients, and the New Front does not want to pay the political price for restructuring—namely, the reduction of the civil service, which is made up mainly of Afro-Creole NPS supporters, and of the large profits of East Indian businessmen and importers who benefit from bloated black market exchange rates. But there is more to it than that. The New Front really does not believe in capitalism and free enterprise. What passes for capitalism in Suriname is “import-capitalism,” where the profit comes from adding 100 percent to the invoice. Many believe the state should control the economy and protect its citizens—or more accurately, its party clients; state controls are popular with the masses. Thus Suriname is sitting on a social time bomb. The government’s privatization policy is rhetoric and illusion, and the state continues to run enterprises. The economy is collapsing, debt is increasing, manufacturing has ground to a halt, inflation has skyrocketed, no

foreign investment, loans, or aid are coming in, and the guilder is worthless. Chronic strikes have further reduced production in every sector.

Continued economic deterioration and social stress are certainties. Will the country, in its anxiety and poverty, turn to a strongman to set things right? This is not an impossibility, and the NDP is set to double its seats in the elections scheduled for next year. Although there are pro-and anti-Bouterse factions within his party, Bouterse’s candidacy for president must be anticipated.

The old Creole NPS is withering away while the middle class Democratic Alternative '91 has limited drawing power. That leaves Bouterse’s multiethnic NDP free to cut a deal with the East Indian United Reform Party; and everybody knows that to govern Suriname you have to have power sharing between the East Indians and Creoles. Washington and the Hague will not be happy dealing with a President Désiré Bouterse. But democracy is like that. ■



## BOOK REVIEWS

### ON LATIN AMERICA

#### Rebel Radio: The Story of El Salvador's Radio Venceremos

By José Ignacio López Vigil. Translated and abridged by Mark Fried. Willimantic, Conn.: Curbstone Press, 1994. 240 pp., \$19.95.

Radio Venceremos ("We Shall Win") was the official voice of the FMLN rebels for most of the 12-year civil war in El Salvador, and always one step ahead of the United States-backed army. Its announcers broadcast from underground bunkers and a bat-infested cave; its technicians eluded detection by sending the station's signal down miles of barbed wire fences; and "many anonymous heroes died trying to bring... a gallon of gas" for the station's generator.

In the most dramatic of the book's pungent tales from the revolution, Colonel Domingo Monterrosa, commander of the infamous Atlacatl Battalion, carries on a vendetta against Venceremos until he is killed by a "captured" transmitter loaded with dynamite. Venceremos reported live from some battles and shamelessly reenacted others, exhorted rebel fighters and their supporters in the villages in what one writer cheerfully calls "our notoriously boring editorials," interviewed workers at sugar mills and allowed grade schoolers to take over the station for a day, persuaded government troops to desert, ran a course in homemade weapons, and produced a regular satirical political soap opera. "We would only shut up if the bomb fell right in our mouth," one staffer declares.

The book is almost entirely oral testimony from the station's small staff, bohemian tenderfoots from the city taught revolutionary commitment by their female party cadre and how to catch a lizard for supper by the FMLN's peasant fighters. You can learn a lot about military strategy, political psychology, and broadcasting from this book, though this is not why Lima-based broadcast journalist José Vigil wrote it down after listening to the Venceremos people who had invited him to teach them more about radio. Like the rebel resistance and the station, the book is a collective endeavor; it is fitting that readers are never told who any of the speakers are, though the individual voices are memorable for their humor and poetry as well as their expletives.

After the 1992 peace treaty, Venceremos began a legalized existence in the capital, playing pop music

and competing in the marketplace of ideas. As Venceremos said years before in offering the government two days of airtime in exchange for 20 minutes on state radio and television hookup, "May the one who has the better argument win."

Alice H. G. Phillips

#### Latin America in a New World

Edited by Abraham F. Lowenthal and Gregory F. Treverton. Boulder, Colo.: Westview, 1994. 265 pp., \$59.95, cloth; \$18.95, paper.

On the world stage, Latin America seems to have exchanged its role as a pawn in the ideological and economic struggle between the globe's two major players for that of an extra with an occasional line. But as the 18 authors in this collection suggest, this change may not make much of a difference. No longer hindered by superpower shenanigans, it appears that Latin American nations will find cooperation with their neighbors a crucial step on the long road to global economic integration.

With (characteristic) guarded optimism, the scholars in this volume see a region that may, a decade or two hence, experience the same kind of boom South-east Asia currently enjoys.

Sean Patrick Murphy

#### Revolution and Counterrevolution in Nicaragua

Edited by Thomas W. Walker. Boulder, Colo.: Westview, 1991. 421 pp., \$49.95, cloth; \$21.95, paper.

As an overview of the actors, policies, and powers at play in Nicaragua during the Sandinistas' rule, this book is excellent. The authors nicely encapsulate the revolution, covering the rather uneven accomplishments in agrarian reform, social programs, and economic policy.

Two chapters address topics worthy of greater attention. One, on the role of women in the revolution, reveals the conflicts inherent in waging a Marxist, nominally egalitarian revolution in a traditionally Roman Catholic, *machista* country. The other concerns United States covert aid to Nicaragua's media, which may have done as much harm to the Sandinista regime (directly aiding the 1990 victory of President Violeta Chamorro) as the "low-intensity conflict" Washington fought by proxy through the contras.

S. P. M.

# THE MONTH IN REVIEW

December 1994

## INTERNATIONAL

### Organization of the Islamic Conference

Dec. 15—Meeting in Casablanca, the 52 members of the Islamic Conference urge military aid for Bosnian Muslims; they offer to cooperate with any UN members "who exhibit a willingness... to provide Bosnia with the means for self-defense," *The New York Times* reports.

### Mercosur (Southern Cone Common Market)

Dec. 17—In Ouro Prêto, Brazil, the presidents of Argentina, Brazil, Paraguay, and Uruguay authorize the creation of a common market.

### Summit of the Americas

Dec. 10—In Miami, Florida, US President Bill Clinton and 33 other Western Hemisphere leaders agree to begin negotiations to create a free trade zone in the Western Hemisphere by the year 2005.

Dec. 11—At the Americas Summit, Canada, Mexico, and the United States announce that Chile will be granted membership in the North American Free Trade Agreement.

## ALBANIA

Dec. 1—In a referendum, voters reject, 54% to 42%, a draft constitution backed by President Sali Berisha; critics said the constitution would have increased the president's power.

## ALGERIA

Dec. 1—Suspected Muslim militants kill 2 Algerian journalists in Algiers; 27 journalists have been killed since Muslim militants began their antigovernment campaign in 1992.

Dec. 4—Said Mekbel, editor of the newspaper *Le Matin*, dies from wounds he received yesterday when shot by suspected Muslim militants in Algiers.

Dec. 24—Four Muslim militants hijack an Air France jetliner before takeoff in Algiers; 63 of the plane's 238 passengers have been released. Government officials say that at least 2 passengers aboard the aircraft, an Algerian policeman and a Vietnamese diplomat, have been killed.

Dec. 25—Militants kill a 3d passenger, a French citizen, on the Air France plane; Algerian authorities allow the jet to leave for France.

Dec. 26—In Marseilles, French commandos storm the hijacked plane, killing the 4 hijackers and freeing the hostages; 25 are wounded in the attack. In Algeria, the Armed Islamic Group says it is responsible for the hijacking; the group says it was in retaliation for France's financial, political, and military aid to the Algerian government.

Dec. 27—Four Roman Catholic priests, 3 French and 1 Belgian, are killed in Tizi-Ouzou. The Armed Islamic Group says the priests were killed in retaliation for the killing of the hijackers yesterday.

Dec. 29—Algerian security forces have killed 61 Muslim militants in a series of raids that began December 24, the official Algerian news agency reports.

## BANGLADESH

Dec. 29—Announcing an agreement with the parliamentary opposition, Prime Minister Khaleda Zia says she will resign 1

month before the next general election, which must be called by 1996. Opposition legislators walked out of parliament 10 months ago, paralyzing Zia's government; yesterday all but 7 of the 154-member opposition in the 330-seat body resigned.

## BOSNIA AND HERZEGOVINA

Dec. 2—The UN and NATO announce that their planes will no longer fly missions over Bosnia and Herzegovina because of the danger posed by a growing number of Bosnian Serb anti-aircraft missile launchers; Bosnian Serb forces are holding 349 UN peacekeepers as human shields against NATO air strikes.

Dec. 8—Bosnian Serb militias release 55 of the 349 UN troops held as hostages since mid-November.

Bosnian Serbs allow UN supply convoys into the Bihac area in northern Bosnia; 1,200 UN troops have been cut off there from food and medical attention for several weeks.

Dec. 11—*The New York Times* reports that Serbia may be providing Bosnian Serbs with fuel and weapons despite an August 4 unilateral declaration that it would no longer allow such supplies into Bosnia.

Dec. 12—Four UN peacekeepers are wounded when Bosnian Serb forces shell an area inside Bihac.

Dec. 16—Bosnian Serb leader Radovan Karadzic has requested that former US President Jimmy Carter travel to Bosnia to help negotiate a settlement to the conflict, *The New York Times* reports.

Dec. 22—Mortar rounds hit a Sarajevo marketplace, killing 2 people and wounding 7.

Dec. 23—Carter, who began negotiations in Bosnia December 18, announces that Karadzic and Bosnian President Alija Izetbegovic have agreed to a cease-fire effective today until May 1; he also says the 2 sides will reopen discussions on a July peace plan that had been drafted by the 5-nation contact group of the US, Germany, France, Britain, and Russia.

Dec. 29—The UN announces that it has obtained a cease-fire agreement from Fikret Abdic, leader of a rebel pro-Serbian Muslim faction that has been aiding the Bosnian Serbs in attacking the Bihac pocket in northwestern Bosnia.

## BRAZIL

Dec. 12—By a vote of 5 to 3, the Supreme Court acquits former President Fernando Collor de Mello of corruption charges; Collor, forced from office in 1992 by accusations that he embezzled state monies, is barred by a Senate decree from holding public office until 2001.

## BULGARIA

Dec. 19—With 96% of the vote counted after yesterday's general elections, the Bulgarian Socialist Party (the renamed Communist Party) under Zhan Videnov emerges the victor, winning an estimated 125 seats in the 240-seat parliament.

## BURUNDI

Dec. 21—At least 20 people have been killed in Bujumbura, the capital, in 2 days of fighting between ethnic Tutsis and Hutus

Dec. 24—The Union for National Progress, the main party representing the country's Tutsis, quits the coalition government formed in September; Tutsi leaders strongly objected to the election of Jean Minani, a Hutu, as speaker of parliament December 1.

## CHINA

Dec. 16—Nine prodemocracy advocates convicted of writing and distributing articles on human and workers' rights receive prison sentences ranging from 3 to 20 years.

Dec. 20—The government announces that the construction of luxury projects and office buildings will be banned during 1995 in an effort to channel investment into public works.

## COLOMBIA

Dec. 22—National Liberation Front guerrillas firebomb 3 tourist buses in Cartagena; 8 people are killed and 4 are injured.

## CROATIA

Dec. 1—Croatian troops exchange artillery and mortar fire with Serb militias in the Krajina region; a truce has been in place between Croatia and the Krajina Serbs for 3 years.

A Bosnian Serb militia crosses into Krajina and kidnaps 7 UN peacekeepers from their post in Javnica.

## CZECHOSLOVAKIA

Dec. 19—The Interior Ministry reports the seizure of more than 6 pounds of what is believed to be weapons-grade uranium in Prague December 7; 3 people are being held in the incident, among them a Czech nuclear physicist.

## EGYPT

Dec. 5—A court releases Montasser el-Zayat, a lawyer who has represented members of the outlawed Islamic Group and who had been imprisoned without trial since May 18; he was arrested for protesting the death of a Muslim lawyer while in police custody.

## FRANCE

Dec. 6—In Paris, Ali Vakili Rad, an Iranian, is convicted of murdering former Iranian Prime Minister Shahpur Bakhtiar in the city in 1991, and sentenced to life in prison; Massoud Hendi, former Paris bureau chief of the Iranian broadcasting network, is found guilty of helping Rad enter the country and receives a 10-year jail term; prosecutors say the Iranian government ordered the killing.

Dec. 13—Jacques Delors, who steps down next month as head of the European Commission, refuses the Socialist Party's nomination as its presidential candidate for elections scheduled for the spring.

## INDIA

Dec. 25—Human Resources Minister Arjun Singh, a rival of Prime Minister P. V. Narasimha Rao in the governing Congress Party, resigns his post; his resignation letter alleges that the government was involved in the 1991 assassination of former Prime Minister Rajiv Gandhi and that it did nothing to stop the destruction of a mosque in Ayodhya in 1992 that led to widespread sectarian violence.

## IRAN

Dec. 6—Following last week's death of Grand Ayatollah Ali Araki, the government, ignoring the Shiite Council of Theologians' tradition of choosing the supreme Shiite religious leader, or Marja Taqlid, appoints Iran's supreme religious

leader Ayatollah Ali Khamenei the Marja Taqlid of the world's Shiite Muslims.

Dec. 14—Ayatollah Khamenei refuses to accept the government's appointment.

Dec. 26—Parliament, attempting to end the influx of foreign television programs, bans the ownership and use of satellite dishes; the owners of the estimated 200,000 satellite dishes in the country will have 30 days to dismantle them or face prosecution.

## IRELAND

Dec. 15—John Bruton, leader of the centrist Fine Gael, the 2d-strongest party in the country, is elected prime minister by parliament; the post has been vacant since Albert Reynolds resigned November 17.

## ISRAEL

Dec. 11—Israel and Jordan open embassies in Amman and Tel Aviv as part of the peace agreement signed October 26.

Dec. 25—A Palestinian suicide bomber prematurely detonates the explosive device he is carrying, killing himself and wounding 13 others at a bus stop in Jerusalem.

## ITALY

Dec. 1—The government restores \$2.5 billion of a proposed \$30 billion in budget cuts in pensions and other social programs; labor leaders call off a general strike planned for tomorrow.

Dec. 6—Antonio Di Pietro, the best known of the Milan "Mani Pulite" ("Clean Hands") magistrates investigating government corruption, resigns, charging interference by the government of Prime Minister Silvio Berlusconi; in 3 years the magistrates have bound over for trial more than 700 officials and executives, including 5 former prime ministers.

Dec. 13—Berlusconi is questioned by magistrates in Milan in connection with bribes executives at his Fininvest conglomerate—including his brother Paolo—paid to tax auditors and officials of political parties. Berlusconi has said he had no personal knowledge of the payments.

Dec. 22—Berlusconi submits his resignation, avoiding votes in parliament on 3 no-confidence motions, including 1 introduced by Umberto Bossi, leader of the Northern League; the league was Berlusconi's main partner in the government sworn in in May.

## JORDAN

Dec. 21—A state security court in Amman sentences 11 Muslim militants to death for plotting against the state, bombing 2 theaters, and planning the assassinations of Jordanian officials.

## KOREA, NORTH

Dec. 17—An unarmed US Army helicopter crashes inside North Korea; Chief Warrant Officer David Hilemon is killed, and his copilot, Chief Warrant Officer Bobby Hall, is taken prisoner. Pyongyang says the pair were on a spy mission; the US says the craft strayed off course during a training flight near the North Korean border.

Dec. 30—The North Korean People's Army turns Hall over to South Korean officials at the border crossing at Panmunjom. North Korea released Hilemon's remains December 22.

## LEBANON

Dec. 2—Prime Minister Rafik al-Hariri resigns, accusing cabinet ministers of blocking his plans for Lebanon's reconstruction after 15 years of civil war. President Elias Hrawi refuses



to accept the resignation and appoints mediators to negotiate with Hariri.

Dec. 11—The Party of God, a Shiite Muslim guerrilla group, claims responsibility for today's attack on an Israeli military patrol in Israel's self-declared security zone in southern Lebanon; 1 Israeli soldier was killed.

Dec. 21—A car bomb is detonated in a Shiite Muslim suburb of Beirut, killing 3 people and wounding 11; the Party of God accuses Israel of the bombing.

Dec. 23—In southern Lebanon, 2 Israeli soldiers and 2 Lebanese police officers are killed when Shiite guerrillas fire rockets at Israeli outposts in Israel's self-declared security zone.

## MEXICO

Dec. 5—Government officials announce that they have negotiated a cease-fire with rebels in Chiapas state; the rebels had threatened violence if the governor-elect, Eduardo Robledo Rincón, took office December 8; the rebels say there has been no formal settlement of their claim that results from the August 21 election were manipulated to favor Robledo.

Dec. 8—Robledo is sworn in as governor without incident.

Dec. 20—The government devalues the peso by 14%, to 4 pesos to the dollar.

Dec. 27—The peso closes at 5.7 to the dollar, down 40% from its level immediately after the devaluation. The United States has extended a \$6-billion line of credit to Mexico to help stabilize the currency.

## NAMIBIA

Dec. 10—In national elections, Namibia's 1st since independence in 1989, President Sam Nujoma's Southwest Africa People's Organization (SWAPO) received 70.6% of the vote, against 21.9% for the Democratic Turnhalle Alliance, *The New York Times* reports; Nujoma garnered 71.7% of the vote in the presidential contest against his lone opponent, Mishake Muyongo, who took 25.5%.

## PAKISTAN

Dec. 15—In Karachi, gunmen kill 4 Shiite Muslims and a Sunni cleric in separate incidents; in recent months 93 people have died in the city in violence stemming from rivalry between Islamic factions; much of the fighting has been between groups of the Mohajir Quami Movement, whose membership is primarily made up of Muslims who emigrated to Pakistan from India after partition in 1947.

Dec. 18—In Karachi, paramilitary troops fire into a crowd attempting to prevent arrests of strikers; 3 people are killed and 5 wounded. Sunni Muslims called a strike to protest the murder of 8 people in a Sunni mosque in the capital December 7; transit workers are engaged in a separate strike to protest arson attacks on public transportation.

## PALESTINIAN NATIONAL AUTHORITY

Dec. 1—Israel transfers control over taxation and health services in the West Bank to the Palestinian National Authority; education, welfare, tourism, and social services were handed over earlier this year.

Dec. 3—The Palestinian Authority allows *Al-Quds*, *An-Nahar*, and the *Jerusalem Post* to be distributed; for 5 days the Authority held up distribution of the newspapers because of their coverage of opposition activities.

## PANAMA

Dec. 8—More than 1,000 Cuban refugees demanding to speak with US embassy officials force their way out of a US detention camp where they are being held until they are allowed

entry into the US or returned to Cuba; 120 US soldiers are injured. One hundred refugees escape from the camp.

## RUSSIA

Dec. 1—President Boris Yeltsin offers limited amnesty to citizens of the breakaway republic of Chechnya who voluntarily disarm by December 15; rival groups there have been fighting since September. President Dzhokhar Dudayev declared Chechnya independent in 1991; the republic, which is predominantly Muslim, has historically resisted Russian rule.

Dec. 5—Defense Minister Pavel Grachev acknowledges that Russian jets bombed Chechnya last week in support of an anti-Dudayev faction; Russia had previously denied any military involvement in fighting in the republic.

Dec. 11—Hundreds of Russian tanks and thousands of troops, backed by fighter-bombers and attack helicopters, cross into Chechnya and head toward Grozny, the capital, in what Moscow calls an effort "to restore constitutional order."

Dec. 12—Russian troops are reported to have halted 15 miles outside Grozny after engaging in minor skirmishes. Some 40,000 Russian troops are estimated to have been sent to Chechnya, facing about 12,000 troops loyal to Dudayev.

Dec. 13—Parliament, voting 289 to 4 with 1 abstention, approves a resolution criticizing Yeltsin's use of the armed forces in Chechnya and calling for a negotiated settlement; the resolution, however, declares the republic "an inalienable part" of Russia.

Dec. 14—The Chechen delegation walks out of peace talks with Russia in Vladikavkaz, North Ossetia, that began December 12. Dudayev calls on Chechens to wage war until Russia leaves Chechen territory, saying, "The earth should burn under the Russian occupiers."

Dec. 16—In Novo-Shurvoi, about 20 miles from Grozny, Russian Major General Ivan Babichev halts the tank division he commands, telling villagers, "It is forbidden to use the army against peaceful civilians."

Dec. 20—More than 100,000 Chechens form a human chain stretching uninterrupted 40 miles eastward from Grozny to the border with Dagestan, to protest the Russian military action in Chechnya. Russian bombing of Grozny, including an attack on a residential neighborhood that destroyed 25 houses, continues at irregular intervals. Moscow suspends road, air, and sea traffic from Georgia and Azerbaijan into Russia.

Dec. 21—*The New York Times* reports that Sergei Kovalyov, head of the Russian parliamentary Commission on Human Rights, who is in Chechnya on a fact-finding mission, says he has verified the deaths of 42 civilians in the war; the Chechen government says 120 Chechens have died.

Dec. 22—Reporters in Grozny say at least 24 people were killed when bombs hit targets including apartment houses in a residential neighborhood and the Lenin oil refinery; Chechen officials say more than 100 people died and some 250 were wounded in the attacks. The Russian Government Press Office denies there have been any Russian bombing raids today, and says that the apartment buildings and an administrative building were bombed by Chechen militants "imitating" Russian attacks.

Colonel General Eduard Vorobyev, deputy commander of all Russian land forces, resigned after refusing a request from Defense Minister Grachev that he lead the military operation in Chechnya, but the resignation was rejected, *The New York Times* reports. The semiofficial Itar-Tass news agency has reported that Grachev has assumed personal command of the operation in Chechnya.

Dec. 23—The lower house of the Russian parliament overwhelmingly approves a resolution calling on Yeltsin to stop the fighting in Chechnya immediately and resume talks with

the breakaway republic's leaders. At a press conference in India, Prime Minister Viktor Chernomyrdin says the air force is bombing only strategic targets. Deputy Prime Minister Oleg Soskovets says 44 Russian army and Interior Ministry troops have been killed in Chechnya, and 116 others wounded.

Dec. 25—The Russian government says "about 1,000"

Chechen fighters died in heavy fighting with Russian troops today and yesterday.

Dec. 27—Emerging from almost 2 weeks of seclusion after what aides said was minor surgery on his nose, President Yeltsin says Russia intends to take control of Grozny, but also orders Russian forces to stop bombing civilian targets in Chechnya; this is the 1st time the government has acknowledged attacks on civilians there.

Dec. 31—Russian tanks supported by helicopter gunships storm central Grozny; casualties are said to be heavy on both sides. Moscow says its troops have taken control of the city's train station and several administrative buildings. Radio Liberty reports that 300,000 of Grozny's 400,000 residents have fled the city.

The International Committee of the Red Cross estimates that 125,000 refugees have fled Chechnya, mainly to the neighboring Russian republic of Ingushetia, and that 200,000 others have been displaced, *The New York Times* reports; the population before the war was 1.2 million.

## RWANDA

Dec. 2—A UN investigation led by Atsu-Koffi Amega, a former judge from Togo, has concluded, Amega says, that "Hutu elements" carried out "a concerted, planned, systematic" genocidal campaign against Tutsis between April and July; as many as 500,000 Rwandans died in violence nationwide.

## SOMALIA

Dec. 7—In Mogadishu, the capital, an Egyptian UN peacekeeper is killed by gunfire from battling militias. In Kismayu, 850 peacekeepers are withdrawn because of fighting between rival clans.

Dec. 21—In Mogadishu, 3 days of street battles between rival clan militias leave at least 20 people dead and more than 125 wounded.

## TAIWAN

Dec. 3—In elections today, the ruling Nationalist Party wins the governorship of Taiwan and the mayoralty of Kaohsiung,

the 2d-largest city; the opposition Democratic Progressive Party candidate for mayor wins in Taipei, the capital; this is the 1st election for governor of the island, and the 1st for mayor of Taipei since 1967.

## UNITED KINGDOM

### Northern Ireland

Dec. 9—In Belfast, British officials and representatives from Sinn Féin, the political arm of the Irish Republican Army, meet openly for the 1st time for talks on the province's future.

## UNITED STATES

Dec. 1—The Senate ratifies the General Agreement on Tariffs and Trade by a vote of 76 to 24; on November 29 the House of Representatives approved the agreement, 288 to 146. If ratified by all signatories, GATT will create a World Trade Organization aimed at lowering tariffs and increasing trade among member nations.

Dec. 8—The government announces that the US will send 25,000 troops to aid a UN pullout from Bosnia if the UN decides to leave the country.

Dec. 16—Federal authorities announce that a 4-year investigation has uncovered links between the Cali drug cartel in Colombia and Italian organized crime. US authorities, working with law enforcement agencies in 4 other countries, have seized \$52 million in assets and arrested more than 90 people allegedly involved in laundering drug money through the Anguilla bank and other institutions.

Dec. 29—The government announces that the 4,400 Haitian refugees at the Guantánamo naval base in Cuba will be repatriated unless they can prove a just fear of persecution; 44 of the Haitians have been granted political asylum. ■

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*Erratum:* In Jenny B. White's article in the January 1995 issue, "Islam and Democracy: The Turkish Experience," lines 9–10 of the left-hand column of page 11 should have read, "accusations of tax evasion, and the SHP's internal power struggles."

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